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Protection of trade marks against trade names in Germany: Change of law?

Sascha Abrar (Löffel Abrar) · Monday, October 9th, 2017

The Regional High Court of Frankfurt rendered an interim injunction on appeal, which may have a great impact on the question if and to which extent the owner of an earlier trade mark can take action against the use of a colliding trade name or company name in Germany ([judgment of 1 June 2017, 6 U 17/7](#)). The applicant (plaintiff) owns a German trade mark containing the word elements casella park, registered for services in classes 35, 36 and 37 of the Nice Classification (left side). The defendant filed a German trademark containing the word elements CASSELLA INDUSTRIEPARK for services of classes 37 and 39 (right side).



In brief, the applicant sought to prevent the defendant from using the word CASSELLA INDUSTRIEPARK and the corresponding word/figurative sign for real estate services. In addition - and that is the interesting part of the judgment - the applicant (based on its trade mark) asked the defendant not to use the subject signs **to designate a business operation** providing real estate services, i.e. as a trade name. The appeal court granted the interim injunction. That was surprising at least in relation to the claim against use as a trade name. Ten years ago, the German Federal Supreme Court, following the CJEU's guidelines in [CÉLINE](#), had taken a rather restrictive approach by deciding that an EU trade mark (the same might apply to domestic trade marks) might not per se be protected against the use of a sign as a business designation (decision of 13 September 2007, case [I ZR 33/05](#)). The CJEU had pointed out that the main purpose of a trade name is to designate a business which is being carried on, as opposed to distinguishing goods or services.

The Frankfurt appeal court considered the reasoning of the Federal Supreme Court as outdated in the light of Art. 10(3)(d) of the new [Trade Marks Directive 2015/2436](#), which provides that trade marks shall be protected against use of an identical or similar sign as a trade or company name (for EU trademarks see the equivalent provision in Art. 9(3)(d) EUTMR). The appeal court did not really mind that the new Directive has not yet been adopted in Germany. Further, the court did not take Recital

19 of the Directive into consideration, which provides that the trade mark owner can only take action against use of the sign as a trade name **as long as the use has been made for the purposes of distinguishing goods or services** (for EU trademarks see the equivalent provision in Recital 13 EUTMR). The decision of the Frankfurt court seems to go beyond this limitation. As a consequence, a trademark owner would be entitled to ask the defendant to re-name its company name or trade name, amongst others. It is questionable if this complies with German law.

It is true that if the defendant offers **services** under its trade name (for example real estate services, as in the subject case) there may be less trouble with Recital 19 of the Directive, because under such circumstances there may be an overlap between trade mark and trade name use. However, let's take a different example to show the potential issues that can arise with the Frankfurt court's interpretation of law. Let us assume that a plaintiff owns a trademark "ABC", protected for clothing. The defendant uses the identical sign ABC as a trade name on his company letter heading and on his business cards, to designate his clothing business operation. However, the defendant runs his clothing shops under the shop-name "XYZ" instead of ABC, and he does not affix the sign ABC but only the sign XYZ to the clothing items. In such a scenario, arguably there may be no trade mark infringement by the mere use of the trade name ABC by the defendant, and the plaintiff may only take action against the trade name ABC if he owns a senior company or trade name, or if unfair competition law applies.

It remains to be seen if the view of the Frankfurt court will be confirmed by the Federal Supreme Court. The decision of the Frankfurt court is not binding on other courts.

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