

Germany: No preliminary injunction if defendant has already stopped infringement

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The Regional High Court of Nuremberg rejected a request for an interim injunction in a trade mark case on appeal, considering that the defendant had already stopped the trade mark infringement at the time when the applicant (plaintiff) was seeking injunctive relief (judgment of 10 October 2018, 3 W 1932/18). The court decided that it had been unreasonable to grant a preliminary injunction, because the plaintiff could still enforce its trade mark rights in the main proceedings on the merits, without suffering disproportionate harm in the meantime.

The case was about a possible infringement of the plaintiff's commercial designation (company name or trade name, the decision does not show the designation) by use of a photo depicting a sign as marginally shown below on the defendant's website.



The court of first instance refused to issue a preliminary injunction because the subject sign depicted by the photo had not been used as an indication of origin. The Nuremberg Appeal court confirmed the outcome but applied a different reasoning by deciding that the matter was not urgent.

To understand the reasoning of the court, it is worthwhile to note peculiarities under German procedural law. In principle, a preliminary injunction requires a legal dispute to be settled urgently in order to prevent substantial damages or disadvantages (sec. 940, 935 German Code of Civil Procedure). Case law on this general provision requires the applicant to show a case of urgency. In deciding on a request for a preliminary injunction, the courts will have to balance the interests of both parties. There is one important exception to this principle in unfair competition matters, as sec. 12(2) Act against Unfair Competition provides that provisional injunctions can be granted without exposition and substantiation of the urgency. It would be helpful for the owner of a trade mark or trade name if this presumption of urgency would equally apply to trade mark matters. And indeed, a few courts apply the presumption of urgency to trade mark law by analogy (for example the courts of Stuttgart and Bremen). In contrast, the majority of courts deny the presumption of urgency in trade mark cases as evidenced by recent decisions (for example Cologne, Düsseldorf, Frankfurt, Hamburg and Munich). In most domestic trade mark cases the plaintiff can choose the competent local court nationwide, so he can pick the court he deems most appropriate, for example in

terms of urgency.

In the present case, the Nuremberg court took the view that there is no presumption of urgency in trade mark litigation matters, so that the plaintiff was expected to show why the granting of a preliminary injunction was necessary to secure his rights, and why the plaintiff could not wait for a decision in the main proceedings. The court stressed that in most trade mark infringement matters, the balance of interest (urgency) will swing in the plaintiff's favour, on condition that the infringement continues. However the present case was different because the defendant had stopped the infringement by removing the photo from its website.

The decision is notable, because other courts have dealt so far with cases where the defendant also stopped the infringement, but in connection with certain time-dependent events. For example, if the plaintiff asks the court to issue an interim injunction against certain acts committed by the defendant at a specific trade fair, the matter is not urgent if the trade fair has been terminated yet. In the present case, the court took a step forward by deciding that the stop of the infringement as such is sufficient to dispel the urgency.

One important issue remains to be unsettled, because the court did not clarify if putting an end to the infringement is sufficient to deny the urgency of the matter, or if the defendant must also take active steps such as recalling products delivered to its customers (comparable to the defendant's obligation in relation to cease-and-desist orders imposed by a German court). Further, the decision of the Nuremberg court is not binding on other courts and it is yet to be seen whether the opinion is shared by other courts.