

“Boss Scents” and “Birenstocks”: Regional Court of Hamburg and Higher Court of Düsseldorf on the Use of Altered Marks by Resellers

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Parties and Mark

The defendant is an Amazon entity. It is responsible for Amazon’s keyword advertising on Google Ads (formerly Adwords). The plaintiff is the exclusive licensee of the trademark BOSS in the perfume and cosmetics segment. One of the perfumes marketed by the plaintiff is “BOSS The Scent”. It ranks among the most successful perfumes for men in Germany. The plaintiff’s license covers the EUTM “Boss The Scent” (word), registered for perfume.

Litigious Advertising

The plaintiff came upon a Google ad by the defendant. It appeared as the result of a search for “Boss The Scent”. In a deviation from these search terms, the ad bore the headline “The Boss Scent”. The link embedded in the ad led the user to offers of “BOSS The Scent” perfumes on amazon.de. There was no reason to doubt that

they were original, meaning goods which had been put on the market by the plaintiff or with the plaintiff's consent.

Injunction by the Regional Court of Hamburg

The plaintiff did not want their mark to be inaccurately reproduced, both out of a general concern about the dilution of their mark and out of a specific concern over the unfortunate meaning that the variation "The Boss Scent" conveys. The plaintiff filed for a preliminary injunction based on Art. 9 subsection 2 b), as Amazon had used a similar mark for identical goods. In May 2020, the Regional Court of Hamburg granted an ex-parte injunction which, after an oral hearing, it confirmed in a reasoned judgment (19.05.2020, 406 HKO 65/20).

The question the court had to deal with was whether a trademark owner must tolerate resellers of original goods using variations of the product mark in their advertising. The Regional Court answered that question in the negative. The court came to that result by closely observing the language of Art. 15 subsection 1 EUTR governing exhaustion:

"An EU trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the European Economic Area under that trade mark by the proprietor or with his consent."

The German version of Art. 15 EUTR says

"...die Benutzung der Marke..." (the "...use of the mark...").

From that wording the court concludes that it is only the use of the unaltered mark which the owner must tolerate when "exhausted" goods are resold, i.e. goods which have been put on the market by the owner or with his or her consent. The court clarifies that this wording is meaningful and not an accident, since the EUTR explicitly distinguishes between the (unaltered) mark on the one hand and signs similar to it on the other, most prominently in Art. 9 subsection 2 a) and b) EUTR. The Regional Court continues by briefly stating that these findings are supported by the rationale of Art. 15 subsection 1 EUTR. Art. 15 EUTR serves to enable the resale of goods and the respective advertising. Under that rationale, a reseller does not have a legitimate interest in using alterations of the mark. Even if Art. 15 subsection 1 covered the use of alterations of the mark, the court adds, the plaintiff would have had a legitimate interest in opposing the use in question

pursuant to Art. 15 subsection 2, since there was a clear risk of dilution based on the public's potential uncertainty as to which mark was the correct one.

Legitimate Interest in Using Alterations?

The court's touching upon the rationale of Art. 15 EUTMR raises the question, what is the incentive for advertisers to use alterations of a mark. The incentive may lie in the fact that an internet user sometimes types in a trademark the wrong way when searching for products, either because of a typo or because the user remembers the trademark incorrectly. Resellers want to make sure that such a user is steered to their offers as well. To this end, resellers book not only the exact mark as a keyword, but also variations. This can be done by choosing the "broad match" option offered by Google Ads, which captures search terms similar to the keyword, or it can be done by booking specific variations of the mark separately.

With regard to that kind of interest, the defendant did not have much to offer: The ad in question ("The Boss Scent") had been triggered by typing in the plaintiff's mark correctly ("Boss The Scent"). Further, the interest as described would be adequately served by merely booking the alteration as a keyword, but displaying the correct mark in the ad. There is a strong argument from the "**Portakabin**" judgment that the CJEU does not consider such use of alterations as keywords to be an infringement (see para. 35).

Higher Court of Düsseldorf - "Birenstock"

The Regional Court of Hamburg's stance regarding Art. 15 subsection 1 EUTMR contradicts the one taken by the Higher Court of Düsseldorf in a similar case in 2019 (24.01.2019 - 20 U 53/18). The Higher Court's judgment concerned ads on Google for the sale of "Birkenstock" sandals on Amazon. The headlines of these ads reflected misspellings of the "Birkenstock" brand like "Birenstock". The Higher Court of Düsseldorf found that exhaustion pursuant to Art. 15 subsection 1 EUTMR also covers the use of an altered mark, both as a keyword and in the ad itself, and relied on para. 35 of "Portakabin". Para. 35 of the judgment is, however, at best ambiguous on the question of whether a reseller may use the altered mark not just as a keyword, but also in the advertising itself. In comparison, the Regional Court of Hamburg's reliance on the wording and the rationale of Art. 15 subsection seems quite compelling.