

Kluwer Trademark Blog

Conversion of a Community Trademark: German BGH I ZR 15/14 of 23.9.2015 Amplidect/ampliteq

Ulrich Hildebrandt (Hildebrandt.) · Monday, March 21st, 2016

In September 2015 the German Bundesgerichtshof (BGH), Germany's highest civil court, decided questions regarding the conversion of a Community Trademark into a national German trademark. The outcome was painful. The ruling greatly weakened the Community trademark system. The case was referred back to the appeal court (OLG Düsseldorf) which will hopefully refer the case to the CJEU and help remedy the BGH's mistake.

The case was based on a standard scenario: The plaintiff requested a cease and desist order and damages from the defendant based on the plaintiff's Community trademark. The defendant filed an invalidation request at OHIM against this trademark and the trademark was declared invalid because it was descriptive for the French-speaking community. No absolute grounds for refusal were found in Germany and the Community trademark was converted into a national German trademark during the litigation proceeding.

The BGH enjoined the defendant's further use of the mark in question. However, sticking rigidly to formality the BGH denied the damage claim stating that at the time the Community trademark had been deleted and the German trademark had not yet been registered. The BGH insisted on a registered trademark as a requirement for damage claims under German law. The obligation to ask for a preliminary ruling by the CJEU was denied in few words. The BGH failed to consider the possibility that the provisions of the CTMR might supersede national German law. Here is the original wording in an English translation:

If an infringement takes place during the validity period of a Community trademark which is subsequently annulled but before the registration of a plaintiff's German trademark which arises from the Community trademark by way of conversion according to Article 112 I lit. b CTMR 2009, this neither triggers any claims due to infringement of the Community trademark which has been annulled according to Article 55 II CTMR 2009 with effect ex tunc, nor any claims under the German Trademark Act due to infringement of the as yet unregistered German trademark in dispute.

There is a controversial discussion in Germany as to whether a Community trademark and the national trademark resulting from its conversion are the same right in substance. Especially in procedural respects, this question has been relevant several times (affirmative the previous court in this case, and BPatG, order of 8.8.2007, 32 W (pat) 272/03 – WEB VIP/VIP; BPatG, order of 11.10.2007, 26 W (pat) 78/04 – THE CANNABIS CLUB SUD/CANNABIS; negative BPatG,

order of 9.11.2004, 27 W (pat) 172/02 – TAXI MOTO/MOTO). Because of its formal approach of considering only the non-registration of the mark, this discussion was not relevant for the BGH at all.

The BGH's **decision is wrong** for several reasons:

First, the wording of Article 114(2) CTMR forbids formal provisions that exceed the formal provisions in the CTMR:

A Community trade mark application or a Community trade mark transmitted in accordance with Article 113 shall not be subjected to formal requirements of national law which are different from or additional to those provided for in this Regulation or in the Implementing Regulation.

It is up to the CJEU to define whether the registration requirement in the German trademark act constitutes such a formal requirement as forbidden in Art. 114(2) CTMR.

Second, according to Article 112(3) CTMR the national trade mark application resulting from the conversion of a Community trade mark application or a Community trade mark shall enjoy in respect of the Member State concerned the date of filing or the date of priority of that application or trade mark and, where appropriate, the seniority of a trade mark of that State claimed under Articles 34 or 35. This wording seems quite narrow at first glance; but is it really? In interpreting a provision of EU law, it is necessary to consider not only its wording but also the context in which it occurs and the objectives pursued by the rules of which it is part (CJEU C-163/15 of 4.2.2016 – Hassan, para. 19; also see CJEU C-219/11 of 22.11.2012 – Brain Products, para. 13; C-237/15 of 16.7.2015 – PPU, para. 35). Art. 112(3) CTMR aims for a continuity of a converted Community trademark and its national result. The CJEU has to decide whether this continuity includes claims for damages that arose before the invalidation of the Community mark and whether these claims survive with the national trademark. Since Art. 9 (3) CTMR defines claims before the registration of the Community this question is particularly virulent.

Third, no. 6 of the CTMR preamble defines the reasons for the national trademark system's right to exist:

The Community law relating to trade marks nevertheless does not replace the laws of the Member States on trade marks. It would not in fact appear to be justified to require undertakings to apply for registration of their trade marks as Community trade marks. National trade marks continue to

be necessary for those undertakings which do not want protection of their trade marks at Community level.

Accordingly, the only reason for the survival of national trademarks is the need of smaller entities to have these marks. It is clear from the preamble that the Community trademark system is preferred over the national systems. Against this background it is unconvincing to weaken a Community trademark in comparison with a national mark.

Fourth, the BGH's formal approach fails where the seniority of a national trademark was claimed in a Community trademark. How would the BGH have decided the case if there had been a seniority claim for an old German trademark? On the formal side this case is not different at all: The Community trademark was annulled *ex tunc*; the German trademark was registered too late. But it would certainly be unjust to disregard the old German seniority trademark in a case where it had been registered years before and never contested.

Fifth, the CJEU (C-235/09 of 12.4.2011 – DHL Express France, para. 38) allows claims restricted to the territory of only one Member State: Therefore, a Community trade mark court, such as the one hearing the main proceedings, has jurisdiction over acts of infringement committed or threatened within the territory of one or more Member States, or even all the Member States. Thus, its jurisdiction may extend to the entire area of the EU. The Community trademark is not necessarily a unitary right. It is also a bundle of national trademark rights. If the bundle is annulled the national right may survive by conversion – unaffected by the formal invalidation in one register and the time span that it takes to put the right from one register to the other register.

Sixth and finally, the BGH was obliged to ask for a preliminary ruling by the CJEU. Under CJEU 283/81 v. 6.10.1982 – CILFIT, para. 21 such a preliminary ruling is necessary where a question of Community law is raised before a high court,

unless it has established that the question raised is irrelevant or that the Community provision in question has already been interpreted by the Court or that the correct application of Community law is so obvious as to leave no room for reasonable doubt. The existence of such a possibility must be assessed in the light of the specific characteristics of Community law, the particular difficulties to which its interpretation gives rise and the risk of divergences in judicial decisions within the Community.

And especially para. 16:

Before it comes to the conclusion that such is the case, the national court or tribunal must be

convinced that the matter is equally obvious to the courts of the other Member States and to the Court of Justice.

Again: A national high court may only rule without asking the CJEU if it believes that all courts of the other Member States have the same opinion. What is true for courts in other member states applies even more so for courts in its own member state. Doubts are doubts notwithstanding their origin. Since the OLG Düsseldorf, the previous court decided the case contrary to the decision reached by BGH, the BGH was obliged to question its own opinion and obliged to refer the case to the CJEU.

Results for the practice:

In the past I have recommended a Community trademark for those clients engaged internationally in any way. Now **I recommend a national German trademark** as the main dish and a Community trademark as a dessert. Most Community trademarks may be attacked in some way. There are lots of older trademarks in each member state. Various indications can result in a mark's local descriptiveness. Moreover, a national trademark is more comfortable in an infringement proceeding than is a Community trademark (for example counterclaims in Article 100 CTMR or the stay of the proceedings in Article 104 CTMR). Damage claims go further on a national basis (CJEU C-360/12 of 5.6.2014 – Coty Germany). It is easier to use a national mark than a Community trademark (CJEU C-149/11 of 19.12.2012 – Leno Marken).

Loving the European Union, I regret this unnecessary development. But it's a fact.

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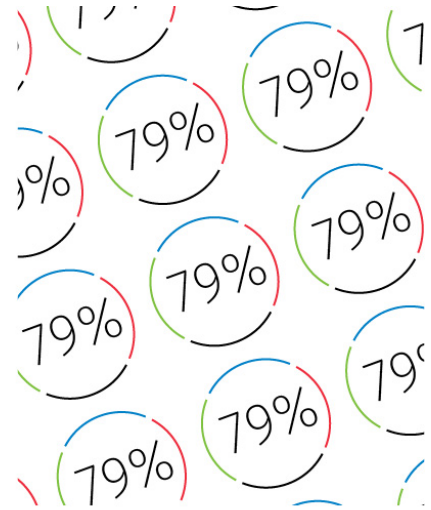
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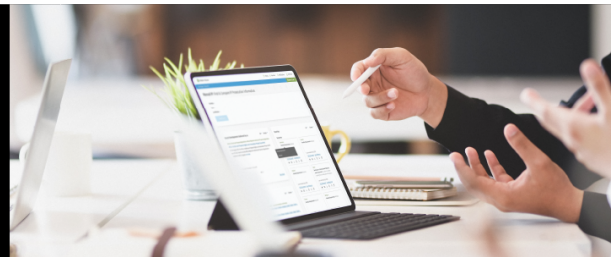
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