



Newsletter 6/2017 Edition

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CJEU strengthens rights of trade mark holders in the luxury sector

"In the heart of a plutocracy tradesmen become cunning enough to be more fastidious than their customers. They positively create difficulties so that their wealthy and weary clients may spend money and diplomacy in overcoming them. If there were a fashionable hotel in London which no man could enter who was under six foot, society would meekly make up parties of six-foot men to dine in it. If there were an expensive restaurant which by a mere caprice of its proprietor was only open on Thursday afternoon, it would be crowded on Thursday afternoon."

This quote from *G.K. Chesterton* provides an extremely apt, if perhaps very sarcastic, description of the initial situation in case [C-230/16](#), which was decided by the CJEU on 6 December 2017.

The underlying case referred to the CJEU by the Frankfurt Higher Regional Court concerned luxury perfume. The plaintiff here, Coty Germany GmbH, had entered into purchase agreements for perfume with the defendant, Parfümerie Akzente GmbH. The latter was allowed to sell the perfumes in question in its shops and through its own Web site, but not through third parties such as Amazon and eBay.

The defendant was dissatisfied with this, and believed this to be a violation of antitrust law, in particular the block exemption regulation.²

The plaintiff, however, pointed out that in the luxury segment it is not just the goods that are important, but also the way they are presented to the consumer – and that inappropriate placement on sales platforms, for instance, would detract from the prestige of the luxury goods and of the underlying trade marks.

Ultimately, the CJEU shared this view. Accordingly, it is possible to exclude unwanted sales channels in the luxury segment if:

Federal Court of Justice makes "forum shopping" more difficult for EU trade marks

In a second case, this one before the German Federal Court of Justice ([I ZR 146/16](#)), but also involving trade marks from the perfume sector and the same plaintiff (Coty), the latter suffered defeat on most points, however.

The initial situation was that back in 2012 Coty had obtained a cease-and-desist declaration from the defendant, the Zacobi company based in Italy, in which the defendant had pledged to refrain from supplying certain perfumes to Germany.

Shortly after making this cease-and-desist declaration, however, Zacobi supplied perfume to a German company, likely functioning as a straw man, by providing the perfume to an authorized forwarding agent in Italy subsequent to e-mail correspondence in this regard.

Coty then sued under several trade marks, including EU trade marks – the crucial factor here – before the Munich Regional Court.

In defense, Zacobi argued that German courts had no jurisdiction, and did at first prevail before the Munich Regional Court. However, the Munich Higher Regional Court took a different view, and ultimately the matter was brought before the Federal Court of Justice.

The latter court then ruled that German courts do not in fact have jurisdiction. With respect to the issue of local jurisdiction, the court held that it is necessary "to undertake an overall assessment [of the] conduct [of the infringer] in order to determine the location where the original act of infringement, from which the alleged conduct derives, was committed or is imminent."¹

This would be Italy in the case at hand. The fact that e-mails, for instance, had been written to a purchaser from Germany is irrelevant, as is

And in our own affairs...

Our firm has opened a third location at Hufelandstraße 2 in Essen, enabling us to serve our clients in the Ruhr region even better. This location is headed by MH partners Dr. Uwe Albersmeyer and Dr. Ralf Malessa, who will also continue to practice in Düsseldorf and can also be contacted there.

We extend warm congratulations to Tobias Kleinohl on passing the patent attorney examination. He will be an asset to our Düsseldorf office.

Dr. Torsten Exner and Dr. Ulrich Storz will give presentations at the GIPC Conference taking place from January 23 – 25, 2018 in Bangalore, India. Dr. Exner will report on "Possession of Invention" and Dr. Storz will speak on the patent strategy of the blockbuster drug Humira. More details [here](#).

Several partners in the firm have been (re)appointed to professional bodies:

- a) the choice of resellers is made on the basis of objective factors of a qualitative nature,
- b) these factors are defined consistently for all potential resellers and are applied without discrimination, and
- c) the criteria that are defined do not exceed the necessary scope.

Moreover, the CJEU made it unusually clear that the court holds that all three conditions apply to the provisions in question, although the final decision must, as usual, be made here by the referring court, the Frankfurt Higher Regional Court.

At least in the luxury sector, this strengthens the rights of trade mark holders, who can now forbid specific sales channels to their commercial customers.

In contrast, the situation remains unclear for trade mark holders who are not active in the luxury sector – is it likewise permissible for them to include such exclusionary provisions in their distribution agreements? Exactly how is luxury defined in the first place? The answer to this question remains the province of future decisions.

¹ G. K. Chesterton, "The Queer Feet," in: *The Innocence of Father Brown*, 1911

² EU Regulation 330/2010

the fact that the defendant maintains a Web page in German.

The Federal Court of Justice only viewed the matter differently for one of the litigated trade marks, namely an IR (international) trade mark with protection extending to Germany. German courts would in fact have jurisdiction in this instance, since jurisdiction here is not governed by the European Union trade mark regulation, but instead by what is known as the "Brussels I Regulation," which applies in general to civil suits.²

Ultimately, this decision means a significant weakening of EU trade marks in comparison with national trade marks. Specifically, if the EU trade mark is infringed in multiple countries, constellations may arise in which the trade mark holder can only assert infringement claims in a jurisdiction that is less favorable to him. For applicants who have previously registered primarily EU trade marks, it will make sense or even be necessary to also possess a national trade mark for important products in parallel with an EU trade mark in order to have more flexibility here with regard to the choice of the jurisdictional venue. It remains to be seen whether this serves the originally intended purpose of the EU trade mark.

The degree to which the coming Unified Patent Court agrees with the reasoning of this ruling will be an interesting question. If the UPC adheres to this logic, forum shopping with regard to the court of first instance would likely become more difficult, at least for unitary patents, because operating an Internet site in German, for example, or even communicating with German customers would then not necessarily establish German jurisdictional venue.

¹ Headnote of the decision

² EU Regulation 1215/2012

Dr. Torsten Exner was elected a full member of the EPI Committee on Biotechnological Inventions.

Dr. Aloys Hüttermann was named, together with Dr. Stefan Horstmann of Merck and Dr. Daniel Steinbusch of ThyssenKrupp, to the Board of the "Industrial Property Rights" division of the German chemical society, Gesellschaft deutscher Chemiker, for the years 2018 to 2021.

Andreas Gröschel was once again named to the patent and utility model committee within the German Chamber of Patent Attorneys

Proposals and Questions

If you have any proposals or questions, please don't hesitate to contact us [here](#).

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