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# INTELLECTUAL PROPERTY 2018 EXPERT GUIDE

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## IP Enforcement in Germany and Europe

By Dr. Magnus Hirsch & Madeleine Metzner

The damage caused by counterfeit and piracy products is a major problem and threat in Germany as well as in the wider European Union. In combatting counterfeit and other IP infringements, the rights owners have several options and can seek the help of various instances. While the following article specifically looks in to the enforcement side of measures, preparation by clear and strong registrations of your rights is at least as important.

### Customs

Most counterfeit products arrive in Germany from non-EU Member States. Regarding non-community goods, customs can act on the basis of EU Regulation (608/2013). The application under the Regulation may be limited to customs action at the German border only, or to action in two or more member states (national or EU applications).

When suspect goods are detected at the border, German customs authorities will detain them and notify the declarant of their detention and give it 10 working days in which to either consent or object to their abandonment for destruction. Customs will also notify the rights holder and disclose information on the shipment and the persons involved. Goods can be considered as abandoned for destruction when the rights holder confirms that the goods infringe an IP right and request destruction of the goods unless the declarant objects within the 10-day period. If the declarant objects the detention, the rights holder has 10 working days to initiate infringement pro-

ceedings. Otherwise customs will grant the release of the goods.

When filing an application, it is advisable to submit as much information as possible that will enable customs authorities to analyse and assess the risk of an IP infringement, such as:

- the port or country from which the goods are consigned and their intended port of arrival in the European Union/Germany;
- details identifying the consignment or packages;
- the means of transport and the identity of the carrier involved; and
- the country or countries of production and the routes used by traffickers.

A particularity of German customs is that it extended its power to **parallel imports** in the sense that diverted products are also detained and destroyed under similar rules as counterfeit or pirated products.

### Civil Action

When detecting an IP infringement, the IP owner may file an action with the German civil courts. For IP infringement cases, the regional courts are competent regardless of the value of the matter in dispute. In many cases, the plaintiff can **choose a forum** among the regional courts that are competent according to the provisions of the German Civil Court of Procedure.



Most of the IP infringement cases are brought as temporary injunction proceedings as temporary injunctions are usually granted ex parte within only a couple of days. In addition, applying for an injunction is by far less costly (usually within a four digit Euro amount) as for example in the UK or the US and can, under certain circumstances even be granted for the entire European Union, so called **pan-European injunctions**. The court order would then have effect in all 25 member states of the European Union.

However, if the plaintiff wishes to obtain a temporary injunction, it needs to file a respective **petition within 4-6 weeks** from the date it becomes aware of the infringing action. Otherwise the case is not regarded urgent and the plaintiff is requested to file a main action. Yet, under German law, there is no discovery.

Any action brought in temporary or main action proceedings may be appealed to the Higher Regional Court which will review factual and legal issues again. The appeal decision by the Higher Regional Court may

be further appealed to the Bundesgerichtshof (BGH), the Federal Court of Justice, provided that the Higher Regional Court admitted such further appeal or that the BGH decided to take the case up.

There is no direct way to the Court of Justice of the European Union, CJEU. Rather, German courts may refer single questions as to the interpretation of laws to the CJEU. When the CJEU has answered the general question, it is the German court who will then have to apply the answer to the case and finally decide the matter.

Before court action is initiated, the IP owner usually writes a cease and desist letter to the infringer requesting that it issues a cease and desist declaration under pain of a penalty for each future case of infringement, renders account on past violation, destroys remaining stock, recalls infringing products and pays compensation and damages. A particularity in Germany is that the infringer is obligated to also **reimburse** the IP owner for the statutory **lawyer's costs** incurred by pursuing the case.

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#### **Criminal Action**

IP infringements are, in general, criminal offences and can therefore also be pursued by the public prosecutor and police. Even if the IP owner does not have sufficient proof for starting civil action it can file a criminal complaint which results in the authorities investigating the case. By being granted access to the criminal file, the IP owner can obtain missing evidence or verify disclosures and on civil proceedings.

#### **International Trade Fairs**

All of the aforementioned measures also apply for infringements at international trade fairs held in Germany. This does not only allow taking away infringing stock but under certain circumstances even closing down the entire booth. Needless to say that respective measures carried out during a fair attract significant attention thereby serving as a deterrent to other infringers too.

All in all, we believe it is fair to say that the German enforcement tools are strong, fast and very effective at considerably low price. Germany therefore can be called a good country or IP enforcement for IP owners.

*Based in Frankfurt, Magnus Hirsch advises and represents national and international clients in all IP related matters. He is a certified IP specialist and a frequently recommended IP lawyer in Germany and was recently once again selected for Germany's Best IP Lawyers 2017. He is member of the INTA, of the PTMG (Pharmaceutical Trademarks Group) and of the GRUR (Intellectual Property Rights and Copyrights Association). He is global co-chair of the IP group of the TerraLex network of law firms. He has joined SKW in early 2007 and practiced as a lawyer and partner at Baker & McKenzie's Frankfurt and Hong Kong offices from 2001 to 2007. After his studies at the University of Passau, Mr. Hirsch has practiced with the law firm of Lovells in Frankfurt and Hamburg from 1997 to 2001.*

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