

GERMANY



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Injunction overturned on bad faith grounds

On February 16 2007 the Lower District Court of Düsseldorf decided a trade mark case in an interlocutory injunction procedure regarding the use of the trade mark Oral Fixation for mint products.

In this procedure, the claimant, the owner of the German trademark registration for Oral Fixation, requested an order that the defendant, a distributor of a US manufacturer's mint products sold under the brand Oral Fixation, cease using the designation Oral Fixation for these mint products in Germany.

The injunction was initially granted, without the defendant having been involved, following an opposition. Following an opposition the Court lifted the injunction allowing the defendant to rely on both prior use of the designation as a company in Germany and on the bad faith of the claimant.

According to section 8 subsection 2 No 10 of the German Trade Mark Act, applications filed in bad faith are exempt from registration. Bad faith is assumed when the monopoly obtained by way of a trade mark registration is used to obstruct the competition. The latter is particularly the case where the applicant may reckon that a trade mark already registered outside of Germany will also be used in Germany and, moreover, if the trade mark application was submitted in order to have a third party make concessions through coercion.

In this case the prerequisites for such a bad faith application were affirmed by the court, as the claimant was aware of the US manufacturer's prior use of the company name Oral Fixation both outside and within Germany, since there had even existed business relations between the claimant and the US manufacturer regarding the distribution of the Oral Fixation mint products in Germany before the bad faith application.

Moreover, it was established in the particular case that the claimant filed for the bad faith mark in order to obtain the monopoly on the mark,

which the legitimate US manufacturer was not willing to grant to the claimant by way of an exclusive licence for Germany.

In the injunction procedure the US manufacturer granted to the defendant, who was also a distributor of the US manufacturer's Oral Fixation mint products, the right to enforce the US manufacturer's rights in its own name against the claimant. Among these granted rights were the trade mark rights resulting from use of the US manufacturer's company name in Germany and the Court held that the defendant could rely on such prior trade mark rights based on use and, thus, the claimant was prevented from enforcing its bad faith mark.

The decision is not yet final.