

German Trademark Law: Federal Supreme Court Strengthens the Position of Owners of Abstract Color Trademarks

Take home message

The German Federal Supreme Court has strengthened the position of owners of abstract color trademarks by ruling that the use of an abstract color trademark “as a trademark” by a third party does not presuppose that said color trademark has a high distinctiveness. Thus, color trademarks having an only normal or even low degree of distinctiveness may be infringed by third parties. This applies all the more in a market which is familiar with the use of colors to indicate the origin of products or services.

Moreover, the German Federal Supreme Court has repeated its view that trademark infringement proceedings may only be suspended if there is a “preponderant probability”, i.e. a high likelihood that the pending invalidity proceedings will lead to the cancellation of the trademark in suit.

Facts

The Plaintiff, the German publisher Langenscheidt KG (hereinafter: “Langenscheidt”), is the owner of German abstract color trademark no. DE 396 12 858 “Yellow”, which is registered for “bilingual dictionaries in printed form” (Nice class 16) and has a priority of 7 March 1996. Langenscheidt had been using this color in combination with a blue “L” for bilingual dictionaries in Germany for several decades and had a market share of bilingual dictionaries amounting to approximately 60 percent. The Defendant, a daughter company of the US-American enterprise Rosetta Stone Inc. (hereinafter: “Rosetta Stone”), had been selling language-learning software in yellow cardboard boxes with the black word mark “RosettaStone” and a blue figurative mark in Germany for several years.

Langenscheidt considered this to be an infringement of its trademark rights and filed a claim in which it inter alia requested the court to prohibit RosettaStone from offering, promoting and putting into circulation language-learning software for any languages in the above-described way.

RosettaStone filed a cancellation request to the German Patent and Trade Mark Office (*Deutsches Patent- und Markenamt*; hereinafter: “GPTO”) against Langenscheidt’s color trademark. The GPTO decided to uphold the trademark, and the appeal filed by RosettaStone against the GPTO’s decision was later dismissed by the German Federal Patent Court (*Bundespatentgericht*; hereinafter: “GFPC”). RosettaStone subsequently filed an appeal on legal grounds to the German Federal Supreme Court, which is still pending.

Summary of the infringement proceedings

The court of first instance judgment, namely the Regional Court Cologne, allowed Langenscheidt’s action in its entirety (docket no. 31 O 352/11).

RosettaStone filed an appeal against this judgment, which was dismissed by the Higher Regional Court Cologne (docket no. 6 U 38/12). In its decision, the Higher Regional Court held that in the field of bilingual dictionaries the market participants were familiar with the use of colors to indicate the origin of products or services. Against this background, the Higher Regional Court found that RosettaStone used its yellow color “as a trademark” and that there was a likelihood of confusion in terms of Section 14 para. 2 no. 2 German Trademark Act (*Markengesetz*) between the color used by RosettaStone and Langenscheidt’s registered trademark “Yellow”. In this context, the Higher Regional Court took the view that Langenscheidt’s color trademark had an at least normal degree of distinctiveness, that the color used by RosettaStone was highly similar to Langenscheidt’s color trademark and that there was a high similarity between RosettaStone’s goods “language-learning software” and the goods for which Langenscheidt’s trademark was registered, i.e. “bilingual dictionaries in printed form”. Furthermore, the Higher Regional Court refused to suspend the proceedings in view of the cancellation proceedings pending with the Federal Supreme Court, namely for lack of a “preponderant probability” that Langenscheidt’s trademark would be cancelled.

RosettaStone subsequently filed an appeal on legal grounds to the German Federal Supreme Court (*Bundesgerichtshof*) against the judgment of the Higher Regional Court Cologne. Among others,

RosettaStone argued that it could not possibly use its yellow color “as a trademark” because Langenscheidt’s registered trademark “Yellow” did not have a high distinctiveness but only a normal degree of distinctiveness.

On 18 September 2014, the German Federal Supreme Court upheld the finding of the Higher Regional Court Cologne. In its judgment, the Federal Supreme Court followed the view taken by the Higher Regional Court that there is no rule according to which color trademark which do not have a high distinctiveness cannot be “used as a trademark”; rather, the habits of the market in question – i.e. whether the public is familiar with the use of colors to indicate the origin of products or services – may be an important factor to be taken into account when it comes to deciding whether or not a color is used “as a trademark”.

Moreover, the German Federal Supreme Court confirmed its prior view that there is normally no room for a suspension of the infringement proceedings in view of pending invalidity proceedings, unless there is a “preponderant probability”, i.e. a high likeliness that the latter will lead to the cancellation of the trademark in suit.