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Dear Reader,

Welcome to the international issue of the "B&B-Bulletin", our quarterly newsletter on recent developments in German and international Intellectual Property Law. We hope you will enjoy reading our new issue and look forward to any questions or discussions that may arise therefrom.

Best regards,
Your B&B Bulletin Editorial Staff

Topics in this issue at a glance:

Competition Law

Uniform protection for trade secrets in the EU is in the offing

The upcoming EU directive on trade secrets will provide enhanced protection for trade secrets almost on a par with intellectual property rights.

For some three years now there has been discussion among the parties affected of a proposed EU Commission directive concerning the protection of confidential know-how and confidential business information (trade secrets) against unlawful acquisition, use and disclosure (COM (2013) 813 final dated 28 November 2013). In December 2015 the EU Council, together with representatives from the EU Parliament, came to a provisional agreement on this Directive. On 14 April 2016 the EU Parliament returned the Directive to the trilogue process with only minor changes so that its adoption may be anticipated shortly. It is likely to be implemented in national law within two years at the most.

1. German law has long recognized the protection of trade secrets in civil law. While the relevant standards in the Act Against Unfair Competition (Secs. 17, 18) are criminal law standards, it has long been acknowledged that violations of these standards may also be subject to civil law action. However, this protection under civil law contains some gaps and is not easy to enforce. In addition to these unfair competition law provisions, there are also the usual non-disclosure agreements / confidentiality agreements customary in international dealings, which can also be enforced under civil law in the event of violations, even if violations are often difficult to prove.

2. The concept of the EU directive extends far beyond this; it places trade secrets and their protection on the same level as intellectual property rights and their enforcement. This is not without problems, since trade secrets are even less tangible than intellectual property rights, and often there is inadequate definition of the scope of protection, which may be unclear to the infringer. It remains to be seen how the lawmakers in the European countries will implement the corresponding standards of the directive. For instance, it is not clear whether the German lawmaker will pursue the path of a separate complex of standards, since as criminal standards, Secs. 17, 18 of the Act against Unfair Competition are not covered by Reason 9c of the directive.

   The definition of infringing acts goes significantly beyond the existing scope of Secs. 17, 18 and encompasses the illegal acquisition,

use and disclosure of business secrets, including the infringement of a confidentiality agreement.

3. First, the definition of a business secret (Art. 2 I of the Directive) is important. It must be information that is confidential in that it is not known or easily accessible, in whole or in its exact structure, to persons that usually handle this type of information. Furthermore, the information must have a commercial value and be subject to appropriate confidentiality measures.

   The other feature, known from the Technology Transfer Group Exemption Regulation, i.e. that the information can be identified, for example, that they are set forth in an Annex, is not required at first sight. However, for proof of any infringement it is advisable, that written identification be undertaken. Finally, it is noteworthy that the Directive (as opposed to existing German law) does not require an explicit wish for secrecy; however, the requirement for confidentiality measures should ultimately be attainable easier than before.

4. The Directive contains several restrictions to protection, of which only an overview can be presented here. As long as the business secrets were acquired in a way that is "consistent with good business practice," there will be no infringement. Also, the customary regulations known from confidentiality agreements, such as disclosure without infringement, disclosure for legitimate interest, as well as for media interest or to cope with labour law requirements, are excluded. It is interesting that the exception for reverse engineering, for example the disclosure of a single product design, which the previous draft version did not contain, has been deleted. That is appropriate, for it is possible to have contractual obligations that preclude reverse engineering. However, they have no absolute effect, which means that in the chain of agreements and when products are passed on, the party that is not contractually bound to these restrictions does not have to comply with this regulation.

   Other exceptions are provided to protect the freedom of the press, the mobility of workers, and whistle blowers.

5. Along with the usual claims in the event of infringement (cease-and-desist), the Directive also contains further regulations that will impact products and compensation provisions.

6. In practice it will be important to examine existing contractual regulations not only in confidentiality agreements, but also especially in know-how agreements, as to whether they still comply with the Directive's requirements, especially with regard to the definition of what is a business secret and how its existence can be proven in a given case. Only then will it be possible to pursue infringement also with the help of the Directive and the requirements contained therein.

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Consumer Protection Law

Compulsory Information on Online-Dispute Resolution from EU-Directives and EU-Regulation

Online sellers have to cope with the introduction of dispute resolution procedures for consumer transactions. This applies on a national level and to cross-border trade in goods and services on a European level. The dispute resolution procedure should provide consumers with a cost-effective and uncomplicated alternative to the judicial procedure.

When consumers have a problem with a trader regarding a product or service they bought, they can settle their dispute out-of-court through an Alternative Dispute Resolution or Online Dispute Resolution (ADR / ODR) procedure. As such procedures are an alternative to resolving disputes before a court they are called Alternative Dispute Resolution (ADR). When they are carried out online, they are called Online

Dispute Resolution (ODR). Resolving disputes through ADR/ODR, in general, is easier, faster and less expensive than resolving disputes before a court. In the European Union, ADR/ODR procedures can take different forms and they can have different names, e.g. arbitration, mediation, ombudsmen, complaints boards.

The legal basis of the online-dispute resolution is the Directive 2013/11/EU on alternative dispute resolution in consumer matters (ADR-Directive) as well as the EU-Regulation No. 524/2013 of the European Parliament and the Council of 21.05.2013 on the online dispute resolution in consumer matters (ODR-regulation).

1. Future Duty to Inform arising from the ADR-Directive

The ADR Directive ensures that consumers have access to ADR for resolving their contractual disputes with traders. Access to ADR is ensured no matter what product or service they purchased (only disputes regarding health and higher education are excluded), whether the product or service was purchased online or offline and whether the trader is established in the consumer's Member State or in another Member State.

Although National Legislators have not stringently stipulated an obligatory participation in an alternative dispute resolution procedure for online sellers, they have, irrespective hereof, standardised a general duty to inform for sellers.

In Germany, for instance, an online seller is generally obliged to provide information on his website and in his terms and conditions about the possibility to participate in a dispute resolution procedure before a consumer arbitration entity (§ 36 Sec. 1 German Consumer Dispute Resolution Act). Excluded from this are merely small businesses with a size of fewer than 11 employees (§ 36 Sec. 3 Consumer Dispute Resolution Act).

Member States will establish national lists of bodies offering ADR procedures (ADR bodies). All ADR bodies included in those lists will have to comply with binding quality requirements. In order to facilitate the transposition of the ADR Directive, the Commission has established an Expert Group composed of national ADR experts.

2. National Regulations on the Basis of the ADR-Directive

The ADR-Directive is already in force in most EU member states such as France, Italy, Spain, Austria, Great Britain and Poland.

The ADR-Directive was supposed to be implemented into German Law by the Federal Government by July 2015, but the Consumer Dispute Resolution Law (Verbraucherstreitbeilegungsgesetz – VSBG) has only been adopted in February 2016. The regulations of the Consumer Dispute Resolution Law will come into force at the end of February 2017.

According to the ADR-Directive, Member States must ensure that out-of-court resolution entities are created for domestic and cross-border disputes between consumers living in the EU and companies based in the EU arising from sales and service contracts. The dispute resolution procedure is not intended for disputes between companies, as it is imperative that a consumer is involved. The Directive standardises the minimum requirements for the dispute resolution procedure as well as the organisation and layout of the independent and impartial resolution entities. The resolution procedure should, in addition, be organised transparently, effectively, speedily and fairly and be made available to the consumer free of charge or for a low fee. The resolution entities must have the required specialised knowledge at its disposal; they must not be bound to the instructions of the disputing parties and should be paid irrespective of the result of the procedure. Access to the resolution entities is to be ensured via the internet as well as other ways (for example by post), and the procedure should not last longer than 90 days. In addition, consumers have the possibility to break off the resolution procedure at any time and to take ordinary legal action. Regarding online-sellers, Member States can include an obligatory participation in the procedure and the compliance of the resolution judgement in its national law. However, for instance, Germany has not included this in the Consumer Dispute Resolution Law.

Resolution entities which are already active or were recently set up and which correspond with the requirements of the Directive should be registered with the EU-Commission by the Member States so that a list of all recorded resolution entities can be published (complete list for all member states under: http://ec.europa.eu/consumers/archive/redress_cons/schemes_en.htm). According to the passed version of the Consumer Dispute Resolution Law, online-sellers can offer an alternative dispute resolution on a voluntary basis, they are, however, not obliged to do so.

3. European Regulations arising directly from the ODR-Regulation

The ODR-Regulation stipulates the setting up of a European online dispute resolution platform by the EU Commission and regulates its cooperation with the

national resolution entities according to the ADR Directive.

The online dispute resolution platform consists of a website which is available as a central contact point for consumers and businesses in particular for disputes arising from purchase and service contracts which were completed online. Alongside general information about out-of-court dispute resolution according to the ADR-Directive, it also offers the possibility of filing dispute cases via an online form for the purposes of resolution with an appropriate resolution entity. The platform will then determine the appropriate resolution entity in terms of the ADR-Directive and forward the dispute case to this entity. Further functions of the online dispute resolution platform consist of an electronic case processing application for the parties of the dispute and the appropriate dispute entity as well as the automatic translation of all information which is exchanged via the platform. This way, the platform will make it easier for all European consumers and online sellers to access out-of-court dispute resolution concerning online contracts, also beyond the borders of Member States. The online dispute resolution platform is available free of charge in all official languages of the EU. An obligation of the online sellers to get involved in an online dispute resolution procedure does not, however, exist, as long as the Consumer Dispute Resolution Act or another implementation act does not standardise such an obligation. The online dispute resolution platform is available since February 2016.

4. Future Duty to Inform arising out of the ODR-Directive

Just like the ADR-Directive, the ODR-Regulation also stipulates general duties of the online sellers to provide information in order to make consumers aware of the alternative resolution methods. Contrary to the ADR-Directives, the duties to inform of the ODR-Regulation apply to every online trader, irrespective of whether he is obliged to use same according to the stipulations of the regulation and the implementation act of the relevant Member State.

With the coming into force of Sec. 14 ODR-Regulation as of 9 January 2016, every online seller is obliged

- to set up a link on his website to the online dispute resolution platform which is easily accessible for consumers and
- to provide easy access to his email address.

For online suppliers who have agreed to the use of further (national) alternative dispute resolution entities or who are obliged to do so (e.g. energy providers), there are further duties to inform according to Art. 14 Sec. 2 ODR-Regulation, for example in terms and conditions, directly in online contract or offer-emails.

As the European online dispute resolution platform is already available, the regulation makes the linking obligatory. The corresponding information should be indicated on the website either under terms of use or in the imprint. The reference should be directly included in the final clauses of the terms and conditions.

The reference text could read as follows:

“Information on online dispute resolution according to Art. 14 Sec. 1 ODR-Regulation:

The EU Commission has provided an internet platform for the online resolution of disputes (“online dispute resolution platform”). The online dispute resolution platform can serve as a contact point for out-of-court resolution of disputes arising from online purchase contracts or service contracts. The online dispute resolution platform is available via the internet address http://ec.europa.eu/consumers/odr

5. Consequences of Infringements

Whether the duty to inform arising from the Consumer Dispute Resolution Act and the ODR-Regulation represent market behaviour regulations in terms of European unfair competition rules (in Germany:§ 3 a Unfair Competition Act new version - § 4 No. 11 Unfair Competition Act old version), is up to now not clear. However, those who have hitherto commented, assume so.

The duties to inform are comparable with the regulations on supplier identification arising from the e-commerce-Directive 2000/31/EG, which are already recognised as market behaviour regulations in terms of European unfair competition rules. Corresponding violations against these legally required duties to inform could, therefore, be subject to warning (cease-and-desist) letters with costs from organisations (for example consumer protection organisation) or from competitors as being anticompetitive.

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Patent Law

Swiss-Type claims cannot be changed to Compound-For-Use claims

In a recent decision, the Technical Board of Appeal of the European Patent Office ruled that Swiss-type claims pertaining to the use of a known medicament in the treatment of a further disease cannot be changed to Compound-for-Use claims.

The original European Patent Convention (EPC) from 1977 did not contain a specific regulation for inventions pertaining to the use of a known medicament in the treatment of a further disease (second medical indication). To fill this gap in the EPC the Enlarged Board of Appeal in their decision G 3/85 introduced by legal fiction the possibility to obtain a patent for a second medical indication using the so called Swiss-Type claim, which is drafted in the form: "*use of a compound x in the manufacture of a medicament for the treatment of disease y*". Since the revision of the EPC in 2007, Article 54(5) EPC explicitly allows claims to second medical indications when using the claim wording: "*compound x for use in the treatment of disease y*" (Compound-For-Use claim). There was much debate in the field about whether Swiss-Type claims and the new Compound-For-Use claim for second medical indications confer an identical or a different scope of protection. In previous decisions regarding the problem of double-patenting the Technical Board of Appeal (TBoA) indicated that the scope of both claim formats are most likely not identical, because it is an established understanding that method and use claims have a smaller scope compared to product claims – a fairly cursory analysis of this question.

Now in the decision T 1673/11 the TBoA decided a case where a patent proprietor during opposition proceedings amended the granted claims by changing from Swiss-Type to Compound-For-Use claims, while maintaining all remaining claim features with respect to the compound and the medical indication. Whereas the opposition division allowed the amendment and maintained the patent in amended form, the TBoA decided that a change of claim format in the direction Swiss-Type to Compound-For-Use constitutes an inadmissible extension of scope of protection of a patent according to Article 123(3) EPC. The patent was revoked.

The outcome is not overly surprising, since in previous cases the TBoA indicated that there indeed is a difference in scope of protection between Swiss-Type claims and Compound-For-Use claims. However, the exact nature of this difference was not discussed until today. Under item 9.4 of the decision the Board reasoned that a so called off-label use of a packaged medicament in a patented indication falls under the scope of protection of a Compound-For-Use claim, while a Swiss-Type claim would not cover such a use. Whether this analysis will be reiterated in national infringement courts or in the upcoming Unified Patent Court is questionable. There are already national court decisions which analyse the issue of *off-label* or *skinny-label* uses differently and with more appreciation for the complexity of the problem (LG Hamburg 327 O 67/15; Warner-Lambert Company, LLC v Actavis Group Ptc EHF & Others [2015] EWHC 72 (Pat)).

Nevertheless, the decision underlines that applicants for European patents more than ever should include Compound-For-Use claims during examination proceedings in their claim sets to protect their second medical indication invention exhaustively. A later conversion from the Swiss-Type format to Compound-For-Use during opposition or limitation proceedings is not possible at the EPO.

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Patent Law

No Supplementary Protection Certificates for Medical Devices

The German Federal Patent Court refused to grant a Supplementary Protection Certificate (SPC) for aminosilane-coated iron oxide nanoparticles which were authorized for the European market as a medical device. Although the decision clearly refuses an analogous use of the SPC regulation for most medical devices – only the EU legislator could introduce a new medical device SPC – the court still leaves open whether at least implantable medical devices containing active pharmaceuticals might be subject of an SPC under the current regulations.

Supplementary Protection Certificates (SPCs) provide additional patent term for medicines or plant protection agents after the expiry of the basic patent. Since gaining approval to place a new medicament on the European market requires a cumbersome and time consuming administrative procedure, a large proportion of the standard 20 year patent term passes by without providing any benefit for the patent owner. With the regulation (EC) No. 469/2009 ("SPC regulation") the European Union (EU)-legislator intended to compensate the loss in effective patent term and to allow companies to recoup their investment in clinical trials and administrative procedures. SPCs grant up to 5 additional years of patent protection for approved medicines or plant protection agents. Up to the present day many SPCs have been granted in Europe for medicinal products containing chemical compounds as active ingredients. Still unclear is, however, whether therapeutic medical devices, or devices containing therapeutically active ingredients, can also be subject of an SPC.

The market authorization procedure for medical devices is regulated in Directive 93/42/EEC and Directive 90/385/EEC (the latter for active implantable medical devices), whereas medicines are approved according to Directive 2001/83/EC. Although approval of medical devices, in particular if they are implantable and contain pharmacological active ingredients, also involves extensive preclinical and clinical testing, the authorization procedure is not identical to medicines. For example the responsible institutions for granting a market approval for medicines are public institutions such as the European Medicines Agency (EMA), whereas medical devices are approved by specialized qualified private organizations.

The German Federal Patent Court now decided on an appeal filed by an applicant for an SPC for the medical device "*aminosilane-coated iron oxide nanoparticles*" (case no. 14W (pat) 45/12). The SPC was filed on basis of the European patent EP 0 636 111 and an EC design examination certificate as first market authorization granted for the product NanoTherm AS1. The German Patent Office had previously rejected the SPC application with the argument that the nanoparticles are not a medicinal product in the sense of Article 1 of the SPC regulation, but a medical device according to EU Directive 93/42/ECC. In appeal proceedings the applicant explained that although the nanoparticles are a medical device, they are likewise a medicinal product according to the SPC regulation as they provide a therapeutic effect. The appellant further stated that the EC design examination involved extensive clinical testing which lasted for about 11 years until the product could be placed on the market. The patent owner thus suffered from a loss of effective patent term comparable to the situation of innovative medicines, and that therefore an analogous application of the SPC regulation for medical devices is justified.

The 14th senate of the German Federal Patent Court in the decision 14 W (pat) 45/12 did not share the view of the applicant. With reference to the recent decision of the Court of Justice of the EU (CJEU) in *Forsgren* (C-631/13 dated 15 January 2015) the senate argued that SPCs may only be granted for medicinal products containing an active ingredient or combination of active ingredients with own pharmacological, immunological or metabolic effects. Thus the senate analyzed the question whether the nanoparticles have a pharmacological, immunological or metabolic effect on their own. During a cancer therapy the nanoparticles are administered to cancerous tissue in a patient and then activated by applying an alternating electromagnetic field which induces heat locally at the targeted site to destroy or weaken tumor tissue. The therapeutic effect of the nanoparticles is therefore produced solely by physical means and is not of a pharmacological, immunological or metabolic nature.

Following the senate's understanding of the CJEU decision in *Forsgren* with respect to the interpretation of the term "active ingredient" in Article 1b of the SPC regulation, the patent court's negative decision is probably not very surprising. Interesting is, however, that the judges still comment on the possibility of an analogous application of the SPC regulation for medical devices. The judges specifically deny analogy for "*medical devices that do not contain an active ingredi-*

ent in the sense of regulation (EC) No. 469/2009" (emphasis added). Applying the SPC regulation to medical devices would constitute an inadmissible expansion of the scope of the regulation. Although the judges agree with the applicant's argument that the marketing of medical devices requires extensive clinical testing, only the European legislator and not the courts could provide relief to the unsatisfactory situation. The senate indicates that the legal SPC framework does not exclude additional regulations allowing SPCs for medical devices.

Here the 14th senate specifically rejected an analogous use of the SPC regulation for medical devices without active ingredients. The question thus remains whether there is a possibility for an analogous use of the SPC regulation for a medical device containing an active ingredient. But even if the question could be answered in the affirmative, there is unfortunately another hurdle in Article 2 of the SPC regulation. Market authorizations for medical devices are exclusively granted under the European medical device directive and not via the administrative procedures for the authorization of medicines under EU directives 2001/83 and 2001/82. In the case *Hylan A and Hylan B* (15 W (pat) 28/08) the 15th senate of the German Federal Patent Court previously rejected an SPC for a medical device on the ground that Article 2 of the SPC regulation would require a market authorization by an "*administrative*" procedure, which the senate did not recognize in the procedures for the authorization under the medical device directive. As mentioned before, it is currently mandatory to apply for market authorization for a medical device under the medical device directive and thus the *Hylan A and Hylan B* decision shuts the door for any analogous use of the SPC regulation for medical devices. Although the case was open to a legal revision by the Federal Supreme Court, the applicant did not file an appeal.

Contrary thereto, other European courts granted SPCs to medical devices containing active ingredients in the past. The Dutch court in the case *Genzym vs. Bureau voor de Industriele Eigendom* decided that an analogy between the procedures for market authorization for active implantable medical devices and medicines is fully justified. Even the 14th senate of the German Federal Patent Court – then in a different composition – granted an SPC in the case *Yttrium-90 glass microspheres* (14 W (pat) 12/07) on the basis of an authorization pursuant to the medical device directives. Obviously the national case law is not harmonized and one may hope that this question will finally find its way up to the CJEU for a clarification whether active implantable medical devices can be subject of an SPC under the current regulations.

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Patent Law

News on the Unitary Patent

In our Bulletin, we report regularly (most recently on the renewal fees in the December 2015 issue) on the route to a unitary European patent system. The recent progress comprises in particular the surprising decision of Italy to participate, the enactment of the procedural regulations for the Unitary Patent Court, and the abandonment of the opt-out fees.

The unitary European patent (sometimes also referred to as Community Patent) shall for the first time create a unitary patent protection for the European Union including a new judicial system which allows to enforce patents or declare them invalid on a pan-European basis.

For a long time, Italy was very critical of the plans for a unitary patent. The Italians were particularly bothered by the fact that Italian will not be an official language of the new patent system, and since 2011 had even been trying, together with Spain, to stop the unitary patent before the European Court of Justice. But Italy stayed absent from Spain's second lawsuit, which failed in 2015. Now, Italy has finally completed the U-turn and joined the unitary patent system as the 26th member state on 30 September 2015. This is great progress for the unitary patent and its acceptance, as Italy represents an economic heavyweight which lies in fourth place in the list of patent validations Europe-wide

(behind Germany, Great Britain and France). Spain and Croatia are now the only EU states which are still missing.

The establishment of the unitary patent system and new judicial system have also progressed considerably. The eighteenth draft of the code of procedure for the Unified Patent Court was accepted in October as the final draft. In December and February, a series of agreements relating to the court fees, the budgetary and financial rules and the distribution of the renewal fees between the EPO and the participating member states have been passed. As part of these agreements, it was decided to suppress the opt-out fee. This fee – formerly proposed at Eur. 80 per patent – would have become due during a transitory period for opting out of the new system in favour of the established national courts, or to opt-in again. The abolishment of these fees, which could have added up substantially for large patent portfolios, will allow patent holders a free and unrestricted choice between the established and the new system, and hence is a welcome development.

Some court buildings have already been designated across Europe. Work on the sophisticated IT infrastructure of the new court is progressing. The recruitment of the legally and technically qualified judges has meanwhile begun as well.

In order that the agreement on the Unitary Patent and the Unitary Patent Court can finally come into force, the ratification by 13 member states is required. Up to now, nine states have ratified, most recently Finland in January 2016. While the threat of a Brexit might conceivably result in further delays, currently we assume that the Unitary Patent will become reality in 2017 – almost fifty years after the first initiatives!

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Trademark Law

No registration requirement for a license to use a EUTM

On February 4, 2016, the CJEU confirmed with its Judgment in Case C-163/15 that a licensee may bring proceedings alleging infringement of a European Union Trademark (EUTM) which is the subject of a license, despite the fact that the license has not been entered in the Register of European Union Trademarks.

In the main proceedings in Germany, the holder of a license to use a EUTM took court action against a third party because of trademark infringement. Under the license agreement, the licensee is not only entitled but also obliged to enforce the trademark rights of the licensor and proprietor in its own name. The license is not entered in the Register of European Union Trademarks.

The request for a preliminary ruling of the Higher Regional Court Düsseldorf, Germany, concerns the interpretation of Article 23 (1) EUTMR (European Union Trademark Regulation), according to which legal acts concerning a EUTM, such as a license (Article 22 EUTMR), shall have effects vis-à-vis third parties only after entry in the Register of European Union Trademarks. However, contrary to the wording of the relevant legal provision, the CJEU found that there is no registration requirement for a license to use a EUTM in order to bring proceedings alleging trademark infringement before EU-trademark Courts. It is held that it follows from a systematic and teleological interpretation of the European Union trademark regulation that licensees, in general, can enforce the right to use the EUTM vis-à-vis infringers without entry in the Register.

In this relation, the CJEU puts forward the following observations: Firstly, according to the first sentence of Article 22 (3) EUTMR, the licensee's right to bring proceedings for infringement of a EUTM is subject only to the proprietor's consent thereto. Secondly, a provision such as Article 17 (6) EUTMR, which explicitly prescribes the requirement of registration in the event of transfer of a EUTM, would serve no useful purpose if Article 23 (1) EUTMR had to be interpreted as precluding reliance, vis-à-vis all third parties, on all of the legal acts referred to in Articles 17 (transfer), 19 (rights in rem) and 22 (licensing) EUTMR as long as they have

not been entered in the Register. Finally, the purpose of the rule laid down in the first sentence of Article 23 (1) EUTMR, namely third party protection, does not come into play in case of trademark infringement.

The judgment improves legal certainty and clarity for licensees, proprietors and assignees. Further, it is likely that the findings of the CJEU can also be applied with respect to rights in rem (Article 19 EUTMR) and since Article 33 CDR (Community design regulation) is a corresponding provision to Article 23 (1) EUTMR, there are good reasons to say that the same applies with respect to Community designs.

Nevertheless, it is still highly recommendable to enter a license to use a EUTM in the Register of European Union trademarks. The following two scenarios should be borne in mind: After granting an exclusive license which is not entered in the Register, a trademark proprietor could grant another exclusive license to a third party which is entered in the Register with the unfavorable result that the "earlier" license could simply vanish. The same applies in the relevant case if a EUTM, which is subject to a non-exclusive or exclusive license, is assigned to a third party. Without entry in the Register, it should be difficult for the licensee to furnish proof that the assignee was actually aware of the license to use the EUTM (second sentence of Article 23 (1) EUTMR).

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