

# Cease-and-Desist and/or Removal

What about enforcement in Germany  
and the EU?

GRUR meets Brussels Workshop Andreas Lubberger  
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# German Outset

- Over one hundred years of Unfair Competition Law
- Private enforcement of Unfair Competition Law
- Huge body of case law
- Unfair Competition Law as addendum/substitute to/for Intellectual Property
- Table of Remedies alike if not identical in both areas
- Plaintiff under obligation to provide the language of injunctions
- Many rulings on the need of a specified petition which leaves no doubt as to the content and scope of the requested injunction (Bestimmtheitsgrundsatz)

# Our Problem:

Written law distincts between injunctions and removal.

The Bundesgerichtshof however, dilutes this distinction by creating an obligation of removal as a consequence of an injunction (cease and desist order).

# The Former Standard

- The receiver of an injunction (i.e. cease and desist order) is obliged to not only stop the prohibited activities, but to also remove the effects causing a continued disturbance\*
- Tacit understanding of this standard: the removal takes place in the domain of the debtor; i.e. in a sphere of factual and legal control\*\*
- Classical example: Demounting of a shop sign showing a name which shall no longer be used

\*See for example Bundesgerichtshof GRUR 2014, 595 – Vertragsstrafeklausel, para 26

\*\*See for example Bundesgerichtshof GRUR 1974, 666, 669 - Reparaturversicherung



Free Shop Sign Mockup PSD

# Recent Case Law\*

- Bundesgerichtshof of September 18, 2014, I ZR 76/13 – CT Paradies
- Bundesgerichtshof of July 30, 2015, I ZR 250/12 – Piadina Rückruf
- Bundesgerichtshof of November 19, 2015, I ZR 109/04 – Hot Sox
- Bundesgerichtshof of June 29, 2016, I ZB 34/15 - Rescue Tropfen
- Bundesgerichtshof of May 4, 2017, I ZR 208/15 - Luftentfeuchter
- Bundesgerichtshof of October 11, 2017 -Produkte zur Wundversorgung
- Bundesgerichtshof of December 14, 2017 - Klauselersetzung

\* Mostly on Unfair Competition, but with effect on IP

# The Effect:

A step by step increase of obligations for the debtor and a much broader scope of injunctions

# Step by Step Increase

1. From mere cease and desist to repair in a controlled sphere (domain of debtor)
2. From repair in the debtor's domain to involvement of third parties
3. From effectiveness to attempt
4. From full trial to preliminary injunctions
5. From court orders to private cease and desist declarations
6. From clarity to vagueness



# The Current Status: Massive Public Complaints from the Academic World and Stakeholder Organisations

# Principle of Proportionality

- Quote of proportionality as a general prerequisite is undermined by the guidance that a debtor should exert an influence on third parties even if –
  - there is no legal basis
  - the effect is questionable
- Interplay with the principle of clarity:
  - the clearer the scope of obligations, the easier the assessment of proportionality

# Ignorance of Commercial Background

- Interference in established business relationships
  - Recall is the demand of a reverse business
  - Products move upstream instead of downstream
- No consideration of market structure
  - Obligation of product recall aims on manufacturer
  - Consolidated/Oligopolistic retail market in many areas
  - Recall beyond a legal obligation can become very expensive
- No consideration of loss of face/image
  - Supplier always has to confess a “mistake”
  - Lasting damage even after successful appeal

# Unclear Guidance on Preliminary Injunctions

- Full applicability
  - Bundesgerichtshof of July 30, 2015, I ZR 250/12 – Piadina Rückruf
  - Bundesgerichtshof of November 19, 2015, I ZR 109/04 – Hot Sox
- Restricted obligations of debtor in preliminary proceedings
  - Bundesgerichtshof of October 11, 2017 - Produkte zur Wundversorgung
    - Debtor shall only inform the purchaser about cease and desist order and ask for a stop of offers and sales rather than to request a recall

# Unclear Guidance on Overall Assessment

- General Principle of “integrated” recall
  - Bundesgerichtshof of September 18, 2014, I ZR 76/13 – CT Paradies
  - Bundesgerichtshof of July 30, 2015, I ZR 250/12 – Piadina Rückruf
  - Bundesgerichtshof of November 19, 2015, I ZR 109/04 – Hot Sox
  - Bundesgerichtshof of June 29, 2016, I ZB 34/15 - Rescue Tropfen
  - Bundesgerichtshof of May 4, 2017, I ZR 208/15 - Luftentfeuchter
- Overall Assessment (single case analysis)
  - Bundesgerichtshof of December 14, 2017 - Klauselersetzung

# Distinction Between Cease and Desist and Removal

- Loss of clarity and structure
- Procedural difference
  - Review of “integrated” recall in enforcement proceedings
  - Review of explicit recall-order in injunction proceedings
- Deviation from written law
- Deviation from IPRED?
  - “Corrective Measures” under Article 10
  - “Injunctions” under Article 11

# Open Rebellion

# Düsseldorf Court of Appeals

- Ruling of April 30, 2018, I-15 W 9/18 – Razor Blades
  - Further Sales down the line do not qualify for a violation of the debtor
  - Hence the debtor cannot be obliged to influence the purchasers of his products to stop further sales or even effect a recall



# Constitutional Review

# Review by Federal Constitutional Court

- Case “Produkte zur Wundversorgung” is pending at highest level
  - Bundesverfassungsgericht I BvR 96/18
  - Questionnaire for GRUR, DIHK and Markenverband of August 20, 2019 aiming mostly on the background of Trade Mark Law
  - Answers in uniform opposition to Bundesgerichtshof

» Thank you for your kind  
interest and patience «