

Report Q203

in the name of the German Group
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Damages for infringement, counterfeiting and piracy of Trademarks

Questions

I) The state of the substantive law in the countries

1) *The Groups are invited to indicate, in summary form, if their national law distinguishes between different kinds of infringement, counterfeiting and piracy of trademarks and what the conditions are for liability for those different kinds of infringement, counterfeiting and piracy.*

The Groups are also invited to indicate if these various forms of the violation of trademark rights have an impact on the monetary compensation to be provided to the trademark owner.

a) The legal basis for liability for trademark infringement

The obligation to pay damages for an infringement of trademarks is established by sec. 14 para 6 Trademark Act (MarkenG)¹. Under this provision the trademark owner is entitled to damages subject to two conditions, first, an infringing act and second, that this act has been committed culpably.

With regard to the exact determination of acts of infringement sec. 14 para. 6 Trademark Act refers to sec. 2 to 4 of the same provision. According to sec. 14 para. 2 Trademark Act² it – in accordance with Art. 5 para. 1 sentence 2 European Trademark Directive – constitutes an infringement, if a third party without having consent of the trademark owner in the course of trade:

- uses any sign which is identical with the trademark in relation to goods or services, which are identical with those for which the trademark is registered (double identity) or
- uses any sign where, because of its identity with, or similarity to, the trademark and the identity or similarity of the goods or services covered by the trademark and the sign, there exists a likelihood of confusion on the part of the public or
- exploits the distinctive character or the repute of a well known trademark in relation to goods or services which are not similar to those for which the trademark is registered without due cause and by such use takes unfair advantage of the distinctive character or the repute of the trademark.

¹ Gesetz über den Schutz von Marken und sonstigen Kennzeichen (Markengesetz – Trademark Act) of 25.10.1994, BGBl I 1995, 156 in its current version of 17.12.2006, BGBl I, 3171.

² First Directive 89/104/EEC to approximate the laws of the Member States relating to Trademarks, of 21.12.1988, OJ EC 1989 No. L 40,1 et sequ.

Sec. 14 para. 3 Trademark Act then – on the basis of Art. 5 para. 3 Trademark Directive – sets out examples of prohibited use such as affixing the sign to goods or to the packaging thereof, or importing or exporting infringing goods under the sign.

Sec. 14 para. 4 Trademark Act finally prohibits – thereby exceeding the guidelines of the Trademark Directive – the fixing of an identical or similar sign on any appearance, packaging or other identification marks (e.g. label) or the use of any such packaging etc. as far as there is a likelihood that such appearance will be made use of with regard to goods or services and by this means may give rise to a trademark infringement. Thus the acts sec. 14 para. 4 Trademark Act refers to are situated in the forefront of an actual trademark infringement.

As a further requirement for a damage claim sec. 14 para. 6 Trademark Act provides that the infringing act has to be performed deliberately or negligently. Under the general rule of sec. 276 para. 2 of the German Civil Code (BGB) a person acts negligently if he fails to exercise reasonable care. Within the field of intellectual property law – and thus including trademark law – the term *reasonable care* is traditionally interpreted in a very broad sense; the standard of care is accordingly very high. The yardstick is an objective standard, whereas neither the personal circumstances of the infringer nor the general trade usage are taken into account. If the legal situation – as often may be said for the field of trademark law – is uncertain the infringer is burdened with the risk of negligence.³ Accordingly an infringer is held to act culpable if he omits to carry out a trademark enquiry⁴ or does not himself investigate and verify the legal situation⁵ or noticeably acts within a legally disputed scope.⁶ Even the fact that the infringer has obtained legal advice from a lawyer will not necessarily exculpate him from the allegation of negligence.⁷ And even a party, which in first instance has won a legal dispute, for instance because the court has held that the requirement of likelihood of confusion is lacking, will have to be aware, that a higher instance may order him to pay damages, if the higher court comes to a contrary assessment with regard to the danger of confusion.⁸

Finally it should be mentioned that even in case no fault can be established this does not mean that there will be no financial compensation at all. In fact the trademark owner may be entitled to a claim for an account of profits under the head of unjustified enrichment (sec. 812 BGB).⁹ This compensation, however, is restricted to the amount of an adequate licence fee.

b) No distinction between different forms of infringement

As follows from the aforementioned German Law – in line with the guidelines of the Trademark Directive – does with regard to liability for trademark infringements neither distinguish between different manners not according to the intensity of the acts of infringement. The different terms the questionnaire refers to – *infringement*, *counterfeiting* and *piracy* – thus from a German perspective merely describe factually different emanations of trademark infringements, but do not bear any specific legal meaning. As an example the scope of the provision on infringement due to double identity (sec. 14 para. 2 no. 1 Trademark Act) similarly covers both the prohibited parallel import (as far as the principle of exhaustion does not apply) as well as the typical piracy cases. Further, it should be stressed, that fault is a

³ Cf. for instance BGH 12.7.1995, GRUR 1995, 825, 829 – Torres; BGH 22.7.2004, GRUR 2004, 865, 867 – Mustang.

⁴ BGH 24.11.1959, GRUR 1960, 186 – Arctos.

⁵ BGH 14.2.2006, GRUR 2006, 575 – Melanie

⁶ OLG Hamburg 12.2.2004, GRUR-RR 2005, 109 – Vorabinformation.

⁷ Cf. BGH 14.11.1980, GRUR 1981, 286, 288 – Goldene Karte I.

⁸ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor §§ 14-19 no. 110; cf. for instance BGH 5.6.1997, GRUR 1997, 749 – L'Orange: here the defendant was held liable in first instance, then the second instance dismissed the claim in his favour and subsequently the Federal Court of Justice lifted the appellate judgment and restored the decision of the first instance; also see OLG München 17.11.2005, GRUR-RR 2006, 84, 88 – MEMORY/EDUCA memory game.

⁹ Für das Markenrecht grundlegend BGH 18.12.1986, GRUR 1987, 520, 523 – Chanel No. 5 I.

general requirement for liability for damages, but the intensity of fault does not influence the legal consequences. German law thus does not draw any distinction between a negligent and a deliberate trademark infringement. Both legal science and practice have repeatedly called for the introduction of specific rules covering the commercial, deliberate trademark infringement (piracy).¹⁰ That the German legislator has not responded to this proposal is not to the least a consequence of its reluctance towards any form of punitive damages.¹¹

Yet, as far as merely preparatory acts are in itself qualified as infringing acts (cf. sec. 14 para. 4 Trademark Act) these provisions are specifically designed to sanction trademark piracy. For trademark piracy is more often than not organized by a division of labour with the result that the actually infringing act of producing counterfeit products takes place at a very late stage. In such cases sec. 14 para. 4 Trademark Act is designed to provide for early redress.

The intensity of infringement further may have an indirect influence on the calculation of damages.¹² Naturally the intensity of infringement does not have any impact on the extent of damage actually emerged, although the damage actually suffered may (and most likely will) be even larger in cases of deliberate trademark piracy; this however is a question that must be decided case by case and does not depend on any respective legal requirements. If by contrast the trademark owner chooses the alternative method of calculating damages and either claims levy of profits accrued by the infringer or an adequate licence fee, then the degree of infringement will most naturally have an impact on the amount of damages. It may serve as an example that the fraction of the infringer's profits directly attributable to an illegal trademark use will in general be determined at a higher level if the gains result from product piracy and thus may lead to a respectively high claim for damages. Further, cases of product piracy are particularly prone to the situation that the owner in addition to the loss he suffers due to his decrease in market shares provoked by the competing goods, he may also suffer a so-called *Marktverwirrungsschaden* (damage resulting from market confusion), exactly because the customers are unable to draw the necessary distinction between the original goods and the counterfeit products. As a consequence the lack of quality, the different channels of distribution, the lack of exclusivity etc., which are involved in the marketing of counterfeit products may distort the good reputation and the distinctiveness of a trademark.¹³ The courts as a general rule accept this head of damages as similarly compensatable.¹⁴

- 2) *The Groups are asked to present in a summarised form the legal theories in their respective jurisdictions for the assessment of damages for the violation of trademark rights.*

The German Trademark Act (MarkenG) currently does not provide any special provisions with regard to the question how damage compensation is to be assessed. Hence, as a starting point the general principles are applicable. The German law on damages is based on the principle of restitution in kind: the infringer shall compensate any damage in order to put the infringed person in the situation he would be in if no damage had occurred (sec. 249 et seqq. BGB). This main principle applies both within general private law as well as in the field of intellectual property law. As far as general private law is concerned the specific extent of damage, as a general rule, is determined by means of the so-called *Differenzmethode* (balancing method). In principle, this also applies to intellectual property law. However, in addition to this general rule, jurisprudence had developed rules on the so-called *dreifache Schadensberechnung* (triple damage calculation) for the field of intellectual property, which today are acknowledged as customary law.¹⁵ In line with the calculation of damages regarding

¹⁰ Wandtke, GRUR 2000, 942, 945 ff; Lehmann, GRUR Int 2004, 762 ff.; Tilmann, ZEuP 2008, 288, 293; for details see Dreier, *Kompensation und Prävention* (2002), 614 ff. For a recent statement see Ohly, GRUR 2007, 926, 929.

¹¹ Ohly, GRUR 2007, 926, 929.

¹² Cf. infra 2 b).

¹³ Cf. Hacker, in: Ströbele/Hacker, *MarkenG*, 8th edition (2006), § 14 no. 182.

¹⁴ Cf. infra 7.

¹⁵ Hacker, in: Ströbele/Hacker, *MarkenG*, 8th edition (2006), § 14 no. 263.

the infringement of other intellectual property rights – for which this was acknowledged even earlier – the damage compensation for trademark infringements can thus be assessed in three different ways. The trademark proprietor can alternatively claim:

- 1) compensation of damages actually suffered (including loss of profits pursuant to sec. 249, 252 BGB);
- 2) the profit, which the infringer gained from the infringing act or
- 3) to calculate the damages abstractly and demand payment of an adequate license fee.¹⁶

The trademark owner can freely choose between these three calculation methods, which are mutually exclusive. In a first step, the trademark owner can base the claim on all three damage calculation methods,¹⁷ i. e. he does not have to decide prior to instituting the court proceedings, which of the three methods he will choose, but may leave this open. Unless he did not enter into a contrary agreement with the infringer, the trademark owner can exercise his right to choose between the three methods until his claim is either satisfied or he is awarded damages by a final judgement.¹⁸

The principles of triple damage calculation are applicable to infringements of national trademark rights, of Community trademark rights as well as to the infringement of internationally registered trademarks for which the scope of protection is extended to Germany or the European Union.

The specific rules on triple damage calculation developed in the context of intellectual property law are currently transformed into statutory provisions within the process to implement the Directive 2004/48/EC.¹⁹ However, this is not intended to lead to any alteration of the aforementioned current legal situation, the proposed wording of sec. 14 (6) German Trademark Act is merely of a clarifying nature. Hence, the possible calculation methods will remain to be (a) specific calculation of the damages actually suffered, (b) levy of infringer's profits and (c) abstract calculation following license analogy.

a) Compensation of actually suffered damages

The term 'damages actually suffered' is primarily understood as the amount of specific loss of profits, which the trademark owner would have achieved by his own sales, had the trademark infringement not occurred. According to the balance method established by general private law it is necessary to determine the difference between the actual and the hypothetical profit of the trademark owner. However, the lost profits cannot simply be equated with the profit gained by the infringer, because the sale of the infringing products may not necessarily be attributed to the use of the respective infringing designation alone. A claim for compensation, therefore, requires that the infringement has actually caused the true owner's loss of profits.

From a practical point of view, however, compensation of the actually incurred damage does not play an important role, because this method involves significant problems for the trademark holder, who as the plaintiff must present a statement of facts and produce

¹⁶ BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse.

¹⁷ BGH 12.1.1966, GRUR 1966, 375 ff. – Meßmer-Tee II.

¹⁸ Hildebrand, Marken und andere Kennzeichen (2006), 413 ff.; Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor §§ 14-19 no. 110.

¹⁹ Cf. the proposed sec. 14 para. 6 Trademark Act, which adds two sentences to the current version: Sec. 14 para. 6 will then in its new version read as follows: 'Wer die Verletzungshandlung vorsätzlich oder fahrlässig begeht, ist dem Inhaber der Marke zum Ersatz des durch Verletzungshandlung entstandenen Schadens verpflichtet. Bei der Bemessung des Schadensersatzes kann auch der Gewinn, denn der Verletzer durch die Verletzung des Rechts erzielt hat, berücksichtigt werden. Der Schadensersatzanspruch kann auch auf der Grundlage des Betrags berechnet werden, den der Verletzer als angemessene Vergütung hätten entrichten müssen, wenn er die Erlaubnis zur Nutzung der Marke eingeholt hätte.'

respective evidence.²⁰ Subject to the rules of the German Civil Procedure Code (ZPO),²¹ the plaintiff is obliged to precisely indicate the basis and the extent of damages and provide proof for his assertions, i. e. he is obliged to prove his hypothetical sales balance based on the assumption the trademark infringement had not occurred.²² Although it according to sec. 252 BGB is sufficient to prove the probability of a loss of profit, the assertion of damage claims based on this method in practice often fails due to the impossibility to furnish proof of the causal link between infringement and loss of profits.²³ Even though sec. 287 ZPO allows the court to estimate the damage, this does not free the plaintiff from his duty to provide a sufficient basis of facts for a reliable estimation.

However, it is similarly difficult to prove causation between an occurred trademark infringement and the trademark owner's loss of profit or that the loss of market shares incurred is due to market deception and not due to further circumstances.²⁴ In fact the German Federal Court of Justice meanwhile has acknowledged that the trademark owner may prove his damage by stating that he or authorized third parties would have exploited the trademark to the same extent as the trademark infringer actually has.²⁵ As a result the burden of proof is shifted to the infringer, who then is obliged to furnish proof that there is no causal link between the infringement and the loss of profits, for instance because the trademark owner would not have been in the position to address the same target market or because he has in fact distributed a different product line. In practice this however has not lead to a significant facilitation on the side of the trademark owner. Finally, the calculation of damages according to this method bears the disadvantage that the trademark owner in the course of the calculation would have to disclose sensitive data.²⁶ Accordingly, it may not come as a surprise that this method to calculate damages is only rarely chosen.

b) Infringer's profits

As a matter of principle, the trademark owner is entitled to claim from the infringer what the infringer obtained as profit from the infringing use of the trademark. Such profit is the profit less the original costs. The justification for this calculation method is the assumption that the trademark owner would have made the same profit the infringer actually has made.²⁷ Further, it is assumed that this method has a deterring effect on potential infringers, because the entire profit achieved by the infringer is levied, thus making it impossible for an infringer to gain any advantage from a trademark infringement.

Levying the profit appears to be advantageous for the trademark owner, as it dispenses him from his duty to establish that he would have achieved similar profits, but on the other hand requires that the profit gained by the infringer is in fact a consequence of the illegitimate trademark use and cannot be attributed to other factors.²⁸ It is acknowledged that the trademark owner is usually not entitled to claim the entire profit but only the fraction, which can be directly attributed to the trademark infringement. Whereas profits generated by the dissemination of the goods or services as such or profits attributable to the infringer's own sales efforts are excluded.²⁹

²⁰ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor §§ 14-19 no. 112; Hacker, MarkenG, 8th edition (2008), § 14 no. 265.

²¹ Zivilprozessordnung 1877, reannounced on 12.9.1950 (BGBl I 533), in its current version of 18.8.2005.

²² Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor Art. 14-19, no. 113.

²³ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor Art. 14-19, no. 113.

²⁴ Hildebrand, Marken und andere Kennzeichen (2006), 413, 414.

²⁵ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor Art. 14-19, no. 113.

²⁶ Hacker, in: Hacker/Ströbele, MarkenG, 8th edition (2008), § 14 no. 265; Heermann, GRUR 1999, 625, 626.

²⁷ BGH 2.11.2000, GRUR 2001, 329, 331 – Gemeinkostenanteil.

²⁸ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor Art. 14-19, no. 114.

²⁹ BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse.

It is exactly this possible objection that the profit may not be a direct consequence of the use of the trademark, which for a long time has led to a lack of any practical relevance of this damage calculation method. The infringer had the possibility to successfully defend himself by the mere statement that he despite significant sales did not achieve any profit or only a profit lower than a notional license fee.³⁰ A different assessment was only acknowledged if it was manifest that the infringing goods could not have been marketed with such a profit without the respective designation.³¹

This for instance may be the case if the goods or services of the infringer as such only have a very low or no commercial value and, in practice, were only marketable because they had been labelled with the infringing designation (e. g. low-value t-shirt with counterfeited 'Lacoste'-trademark; a cheap watch with a counterfeited 'Rolex'-trademark). In such – typically piracy – cases it by exception is possible to levy off the entire profit.³²

In cases where causation was less obvious the infringer could not only include the costs for the production of the infringing goods in the cost-benefit analysis, but also deduct the general – so-called overhead – costs. However, in 2001 the Federal Court of Justice restricted this defence – at first only with regard to design rights – rendering a landmark decision on overhead costs.³³ The court significantly restricted the deductibility of overhead costs from the infringer's profit. In 2006, this general principle was similarly applied to a trademark infringement case for the first time.³⁴

When calculating the infringer's profit, the infringer as a consequence is only entitled to deduct such variable cost, which unambiguously can be attributed to the infringing goods. This relation has to be proven by the infringer. The Court argued that if the infringer were allowed to deduce the fix overhead costs this would have the consequence that the trademark owner could not obtain the respective part of the profits, which he would have used to cover his own overhead costs. In order to reinstate the trademark owner into the situation in which he were if he had gained the respective profit, it consequently is necessary to allow damages for that part of the overhead costs, which the trademark owner would have used for compensation of his own overhead cost.³⁵ Therefore, ordinary overhead costs can no longer be deducted from the profits the infringer gained.

An exception must, however, be made insofar as the overhead costs can unambiguously be attributed to the infringing goods. Consequently, only such overhead costs are deductible which would not have been incurred without the production of the infringing goods.³⁶ This rule for instance applies to the following costs: own costs, as far as manufacturers are involved also cost for material and equipment, energy costs, proportionate wages, freight, cost of storage, cost for installation, commissions, cost of rent for room and machines, as far as these were exclusively used for the production of the counterfeit products. By contrast, the German Federal Court of Justice held that as a general rule the following costs are not deductible: general marketing costs, wages of managing directors as well as cost for product placement and development.³⁷ The same applies to costs for goods, which – as a consequence of a preliminary injunction – could not be sold as to costs for compensation payments to be effected to third parties.³⁸

³⁰ Hacker, in: Hacker/Ströbele MarkenG, 8th edition (2008), § 14 no. 269.

³¹ Cf. OLG Karlsruhe 23.5.2001, Mitt. 2001, 447, 450 – Trinityringe.

³² Cf. OLG Hamburg 20.1.2005, GRUR-RR 2005, 258, 260 – Ahoj-Brause; OLG Karlsruhe 23.5.2001, Mitt. 2001, 447, 450 – Mittelbare Markenverletzung.

³³ BGH 2.11.2000, GRUR 2001, 329 ff. – Gemeinkostenanteil.

³⁴ BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse.

³⁵ Marx, Deutsches, europäisches und internationales Markenrecht, 2nd edition (2007), 321, no. 930.

³⁶ Hacker, MarkenG, 8th edition (2008), § 14 no. 270.

³⁷ BGH 21.9.2006, GRUR 2007, 431, 434 – Steckverbindergehäuse.

³⁸ BGH 7.2.2002, GRUR 2002, 532, 535 – Unikatrahmen.

c) License analogy

According to the calculation method based on a license analogy, the trademark owner can claim the amount from the infringer, which the infringer would have paid for a license of the respective trademark. By this means, the trademark owner shall be put into the position he were in had the infringer paid an adequate license fee for use of the trademark. This shall prevent that the infringer enjoys any advantage by his illegitimate as compared to legitimate acting.³⁹ Whether or not the infringer actually has gained any profits from the illegitimate action does not bear any significance for this calculation method.⁴⁰

Despite the abstract nature of this calculation method it still requires that a causal link between the infringer's turnover and the trademark owner's damage may be assumed. This requirement, for instance, is not fulfilled if the trademark owner did not achieve any turnover in the relevant time period.⁴¹ Rather the trademark owner has to prove that the occurrence of a damage as such is a direct consequence of the infringement.⁴² But the application of the licence analogy method on the other hand contrast does not require to prove the actual extent of loss.⁴³ Finally, the extent of damages is neither restricted by the amount actually gained by the infringer, nor is it necessary for the trademark owner to prove that he would have been willing to enter into a license agreement with the infringer.⁴⁴

The calculation of an adequate license fee is subject to objective criteria.⁴⁵ The calculation depends on the market value of the infringed trademark right and varies in relation to the goodwill of the mark, the extent to which the mark is well-known among consumers and its reputation among consumers. Further, it is acknowledged that the extent of a likelihood of confusion incurred by the infringing act has to be considered when calculating the amount of the license fee to be paid.⁴⁶

Until now, case law has established that adequate license fees may be within the range of 1% to 5%, but that the specific amount has to be determined individually based on the facts of each case.⁴⁷ Thus a higher license fee may for instance be justified if the relevant mark enjoys an excellent reputation.⁴⁸ In such cases exceptional license fees in the amount of 10%⁴⁹ or 12.5%⁵⁰ respectively were granted. Piracy cases particularly may lead to the assumption that the aforementioned criteria are fulfilled to an exceptional extent consequently leading to the assessment of a high license fee as damage compensation. On the other hand the license may also be considerably lower due to the fact that the trademark owner already commercialized part of the potential profits allocated to the mark, as will most likely be the case in respect of illegitimate parallel imports.⁵¹

The trademark owner is obliged to prove both that a trademark infringement has occurred and that the infringer has acted culpably. Further, he has to furnish sufficient facts substantiating the alleged amount of an adequate license fee. On this basis the court will estimate the extent

³⁹ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor Art. 14-19, no. 115.

⁴⁰ OLG Düsseldorf 12.12.2001, GRUR-RR 2003, 209 – Meißner Dekor.

⁴¹ BGH 12.2.1987, GRUR 1987, 364, 365 – Vier-Streifen-Schuh; Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor Art. 14-19, no. 112.

⁴² BGH 15.3.2001, GRUR 2001, 1156, 1158 – Der grüne Punkt.

⁴³ BGH 17.6.1992, GRUR 1993, 55, 57 – Tchibo/Rolex.

⁴⁴ BGH 22.3.1990, GRUR 1990, 1008, 1009 – Lizenzanalogie.

⁴⁵ Marx, Deutsches, europäisches und internationales Markenrecht, 2nd edition (2007), 320, no. 926.

⁴⁶ BGH 12.1.1966, GRUR 1966, 375, 378 – Meßmer-Tee II.

⁴⁷ Bspw. OLG Hamburg 20.3.2002, Mitt. 2002, 282 – PURA/RAPUR.

⁴⁸ Ingerl/Rohnke, Markengesetz, 2nd edition (2003), Vor Art. 14-19, no. 116.

⁴⁹ BGH 23.5.1991, GRUR 1991, 914, 917 – Kastanienmuster.

⁵⁰ BGH 17.6.1992, GRUR 1993, 55, 58 ff – Tchibo/Rolex II.

⁵¹ OLG Hamburg 12.6.2003, GRUR-RR 2004, 139, 141 – Ergänzungslizenz-Analogie.

of damages in accordance with sec. 287 ZPO. Taking into account that the licence analogy is by far the easiest means of furnishing proof for the amount of damages claimed it is not surprising that this calculation method is the one with the most practical relevance.⁵²

Is this assessment based on the ground of civil liability or on the ground of violation of property ownership or some other ground(s)?

The possibility to choose between three alternative calculation methods is a specific feature of intellectual property law. However, the specific calculation is largely in line with the general rules, because the rules regarding infringement of intellectual property rights are considered as an integral part of German Civil Law and more specifically of the German law on liability.

With regard to the specific calculation of the extent of a damage claim, the following remarks shall be added: as far as the infringed person claims to be compensated for the specific damage actually suffered, the damage calculation applied to trademark infringement cases is in line with the general civil law rules for damage claims pursuant to sec. 249, 252 BGB. If the plaintiff instead claims compensation in form of license analogy, the claim in its extent and calculation method corresponds with the claim for restitution of unjustified enrichment pursuant to sec. 812 BGB.⁵³ When calculating the infringer's profit, the court commonly makes use of the possibility to estimate the damage pursuant to sec. 287 ZPO. Nevertheless, jurisprudence has established specific calculation methods – for instance regarding the usual amount of an adequate license fee or the proportional assessment of market confusion damage – which are restricted to the laws on intangible assets and, insofar, depart from general civil law.

3) *The Groups are asked to indicate what factors are taken into account in the assessment of damages and how the value of the trademark is used in this assessment.*

a) *Do the Courts take into consideration how strong the trademark is, both in terms of its inherent distinctiveness and popularity acquired through use and publicity?*

With regard to license analogy, the main criteria for the calculation of the amount of the notional licence is the market value of the infringed trademark, and is consequently measured by the level of awareness and reputation of the trademark.⁵⁴ Moreover, the infringed party can, in addition to the license analogy, compensation for loss actually suffered or the infringer's profit respectively also demand compensation for damages resulting from market confusion.⁵⁵ With regard to the infringement of well-known trademarks, there is a positive presumption that, in addition to the immediate loss of revenue and profit, damages due to market confusion may occur.⁵⁶

b) *Do the Courts take into consideration the investment made by the trademark owner in order to make the trade mark known?*

The trademark holder's investments, which were made for the sole purpose to increase the level of awareness of the trademarks, will not be directly made allowance for within the calculation, but only considered indirectly: the better a trademark is known, the more it – as mentioned above – will be justified to demand a higher notional licence.

⁵² Heermann, GRUR 1999, 625, 628.

⁵³ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor §§ 14-19, no. 125.

⁵⁴ BGH 12.1.1966, GRUR 1966, 375 – Meßmer-Tee II.

⁵⁵ BGH 25.6.1954, GRUR 1954, 457 – Irus/Urus.

⁵⁶ BGH 8.6.73, GRUR 1974, 84, 88 – Trumpf.

- c) *Do the Courts consider what direct effect the infringing activity has had on the trademark proprietors profitability? If so, how?*

Yes, because the weakening of the distinctiveness of the trademark resulting from trademark infringement leads to a decline in the financial standing of the infringed party.⁵⁷ The appropriate license fee should therefore in cases of severe piracy, as a general rule, exceed the rate which would apply to specified trademark usage under a license contract.⁵⁸ Furthermore, this negative effect of the infringement will be considered with regard to damages for market confusion, which, for example, may also cover costs for actual advertising efforts, which from the position of the trademark owner serve to minimize the deteriorating effect on reputation and appearance of the original product.

- d) *Do the Courts take into account price erosion? If so, how?*

In the course of setting the adequate licence fee, the objective value of a permission to use the trademark is decisive. Thereby, the situation at the end of the oral pleadings will be relevant.⁵⁹ Accordingly it must be assessed retrospectively (ex post), what reasonable parties having knowledge of the respective circumstances (and under the constraint that an agreement must be reached) would have stipulated at the time of the notional license contract. It is therefore contentious whether or not market developments and consequent price alterations, which have occurred in the mean time, are to be regarded. It has been recommended that the infringed party be granted a choice with regard to what point in time should be decisive for the calculation.⁶⁰ However, the courts insist on the described ex post-approach.⁶¹

- e) *Do the Courts distinguish between actual lost sales (i.e; the sales which would otherwise have been made by the trademark owner) and all sales made by the infringer? If so, which sales matter?*

Whether the lost sales of the infringed party or the sales volume of the infringer is the relevant factor for the calculation of damages will depend primarily on the chosen method of calculation: Lost profits will be decisive if the damage actually suffered is to be compensated and may be cumulated with other damages, e.g. costs for legal prosecution and damages compensating market confusion.

The estimation of lost profits of the infringed party depends on the profit span, which the infringed party would usually achieve by the marketing of the goods in question.⁶² However, no general rule is established that the loss of profit on the side of the infringed party is equal to the profits the infringing party gained. Accordingly, the profits of the infringing party are only of evidentiary significance for the calculation.⁶³ Whereas if the trademark owner chooses to levy off profits, the actual profits of the infringing party will serve as basis of the calculation. A cumulation of both methods is inadmissible.

- f) *Do the Courts treat parallel imports differently? If so, what is the legal basis for this differentiation?*

The fact that generally no licenses are issued for parallel imports is immaterial for the calculation of damages based on the license analogy. The question whether the infringing party has actually used the identical trademark or only caused the likelihood of confusion

⁵⁷ BGH 12.1.1966, GRUR 1966, 375 – Meßmer-Tee II.

⁵⁸ BGH 17.6.1992, GRUR 1993, 55, 56 – Tchibo/Rolex.

⁵⁹ BGH 17.6.1992, GRUR 1993, 55, 56 – Tchibo/Rolex.

⁶⁰ Preu, GRUR 1979, 753, 759 f.; Cf. Heermann, GRUR 1999, 625, 629 with further references.

⁶¹ BGH 14.3.2000, GRUR 2000, 685 – Formunwirksamer Lizenzvertrag.

⁶² BGH 22.4.1993, GRUR, 1993, 757 – Kollektion Holiday.

⁶³ BGH 22.4.1993, GRUR, 1993, 757 – Kollektion Holiday.

by a similar label will only effect the calculation with regard to the amount, but not the calculation method as such.⁶⁴ In determining the appropriate amount of the license fee, it must be taken into consideration, that parallel imports pertain to original goods, which – provided that trademark exhaustion has occurred – may in general be imported to and distributed within Germany without any obligation to pay a licence fee.

4) *In case the compensation is evaluated on the basis of lost profits of the trademark owner or an account of the profits arising from infringement:*

a) *What are the key principles?*

In the case of calculation of compensation based on the damage actually suffered, the financial standing of the trademark owner after the act of infringement will be compared to the situation he were in had the events justifying the claim not occurred. This also includes compensation for lost profits. Similarly all costs accrued by the trademark owner related to the investigation of the act of infringement come within the damage actually suffered. The calculation of damages according to this method will also include damage arisen from market confusion and compensation for loss of credit and reputation.⁶⁵

The claim for profits gained by the infringing party is on the one hand independent of whether or not the trademark owner could have achieved any profit, but on the other hand, requires the determination of the percentage of profit, which relates to the trademark usage and not to other profit generating factors.⁶⁶

b) *How are the profits defined and how are they calculated?*

According to the method of calculating damages on the basis of lost profits the actual decrease in profit is relevant. The difficulties with regard to assessing the accurate amount of such decrease are overcome by the rules allowing the judge to estimate damages.⁶⁷

Concerning the levy of profits the profit actually gained by the infringing party is decisive.⁶⁸ As the title-holder can have no knowledge hereof, he – provided the infringement and the resulting damage are at least probable – is according to sec. 242 BGB entitled to demand the necessary information from the infringing party. On this basis the profits gained by the infringing party is ascertained.

The profits gained from the trademark infringement will serve as starting point. From this amount variable costs may be deducted, whereas according to the case law of the German Federal Court of Justice overhead costs (e.g. rent, time-constrained depreciations for capital assets), which are not directly related to the infringing products, cannot be brought forward in order to reduce profits.⁶⁹

c) *What shares of the profits are attributed to the trademark owner and any licensees?*

In this regard attention must be drawn to the fact, that the licensee (including the exclusive licensee) is not granted a claim for compensation against the infringing party.⁷⁰ As a consequence, all damages resulting from the trademark infringement must, as a general rule, be asserted by the trademark owner (including those of the licensee(s)). Should the trademark owner institute legal proceedings to prosecute the trademark infringement, the licensee can join such infringement claim as provided for by sec. 30 para. 4 Trademark

⁶⁴ OLG Hamburg 12.6.2003, GRUR-RR 2004, 139 – Ergänzungslizenz-Analogie.

⁶⁵ Harte-Bavendamm, Handbuch der Markenpiraterie in Europa (2000), § 5 no. 96.

⁶⁶ Cf. supra 2 c).

⁶⁷ Cf. supra 2 b).

⁶⁸ Cf. supra 2 c).

⁶⁹ Cf. supra 2 c).

⁷⁰ BGH 19.7.2007, GRUR 2007, 877, 880 – Windsor Estate.

Act and by these means assert his claim for damages, but can only demand payment to the trademark owner.⁷¹

Additionally, sec. 30 para. 3 Trademark Act stipulates that the licensee, with the consent of the trademark owner, can independently institute a claim and in this case may demand payment to himself. With regard to exclusive licenses, it is generally assumed that the mandatory consent to litigate is already implied in the licence contract as such, whereas the holder of a simple licence would explicitly have to secure the consent.⁷² The justification for the distinction drawn is supposed to lie in the fact that the exclusive licensee's position is generally affected by an infringement of the protected right, whereas a simple license does not grant any exclusive position and as a result will generally not cause any (verifiable) damage to the holder of a simple licence. However, insofar as such damage does occur – for example, by impairment of the reputation – the holder of a simple licence will in general be similarly entitled to claim the respective damages.

Whether or not the licensee, who institutes a claim based on sec. 30 para. 3 in conjunction with sec. 14 para. 6 Trademark Act, thereby acts on his own accord or is authorised to file the claim, has been a matter of dispute. The judiciary assumes, as described, that the licensee cannot bring a claim as of his own right,⁷³ but is merely authorised to file a claim in the name of the proprietor.⁷⁴ Independent of whether or not the licensee has a right to claim on his own account or is merely authorised to file the claim, it is generally acknowledged that also in case of an indemnity claim of the licensee, the triple damage calculation method is similarly applicable. Insofar as the licensee chooses the license analogy as method of calculation, it must however be taken into consideration that the licensee must pay a part of his income to the licensor. This respective percentage thus corresponds to the damages suffered by the licensor and can accordingly only be claimed by the licensor. Similarly in case the calculation of damages is based on the actual loss of profits of the licensee, the payments the licensee is obliged to make to the licensor are to be deducted.⁷⁵

Should the trademark holder and the licensee make use of the possibility provided for by sec. 30 para. 4 Trademark Act and join together as plaintiffs, then the subsequent internal allocation of the litigated compensation will again depend on the applied method of calculation. This will not cause any problems if the damages are calculated on the basis of damage actually suffered. For it is a prerequisite for the licensee's claim that he has in fact suffered such damage, which then – according to the concept of third party liquidation – may be asserted in court by the trademark holder, who may add the licensee's damages to his own claim for damages. As the respective shares of damages of both the trademark owner and the licensee will have been brought forward and proven separately in the course of litigation, the allocation of the respective fractions will in general be uncontroversial.

Should however the method of levy of the infringer's profits be chosen, the allocation of the compensation between the proprietor and the licensee will have to correspond to the license coverage and in particular take into consideration if the licensee or the licensor would most probably have covered the respective market shares.

⁷¹ BGH 19.7.2007, GRUR 2007, 877, 880 – Windsor Estate.

⁷² For criticism see Hacker, in: Ströbele/Hacker, MarkenG, 8th edition (2006), § 30 no. 66.

⁷³ Plaß, GRUR 2002, 1029 f.; Fezer, MarkenG, 2nd edition (1999), § 30 no. 31, see also BGH 30.4.1998, GRUR 1998, GRUR 1999, 161 – Mac Dog.

⁷⁴ Cf. for current case-law BGH 19.7.2007, GRUR 2007, 877, 879 – Windsor Estate making a reference to Hacker, in: Ströbele/Hacker, MarkenG, 8th edition (2006), § 30 no. 65; of other opinion Steinbeck, GRUR 2008, 110, 113.

⁷⁵ Ingerl/Rohnke, MarkenG, 2nd edition (2003), no. 76.

If for example, a licensee holds only a limited trademark license for a specific category of goods or confined to a certain region in Germany, the question whether, and if so to which extent, the licensee's rights have been violated in consequence of the trademark infringement allowing him to claim compensation in addition to the trademark owner will essentially have to be decided according to the specific circumstances of the individual case.⁷⁶

In case the trademark owner chooses to calculate his damages according to the license analogy method the allocation of damages awarded is a matter of the contractual relationship: Insofar as the trademark holder is under a contractual duty towards the licensee to protect the latter against trademark infringements,⁷⁷ it must be assumed that the licensor will select the method of calculation which best suits the interests of the licensee. The licensee will accordingly at least be entitled to the fraction, which he could claim on the basis of the damage actually suffered, if he would himself institute proceedings. The exact allocation, however, is generally a matter of contractual agreement. It is common to provide for a clause, which obligates the licensor to compensate the licensee for infringement damages through a third party, insofar as the licensor is reimbursed by the infringing party.⁷⁸

d) *Does the strength of the trademark come into play in apportioning the profits?*

Insofar as the usage of the trademark by the infringing party does impair the reputation of the trademark, this will by exception may also result to a loss of profits on the side of, for example, the holder of a simple license with the result that the licensee may claim such damages in addition to the damages litigated by the licensor.

The strength of the trademark furthermore usually influences the value of the trademark and consequently is of indirect significance for the assessment of the license fee.

5) *In case the monetary compensation is assessed on basis of a royalty,*

a) *How is the royalty rate fixed?*

In calculating the license fee, it must be assessed what a reasonable licensor had asked for in case the parties would have negotiated a licence contract and what a reasonable licensee would have been willing to pay. As the amount of the appropriate license will vary on a case-by-case basis and thus no general rule for its calculation can be established, the court will set the fee using its discretionary power.

In the course of such assessment the following factors are of significance: the market value of the infringed trademark, the extent of the likelihood of confusion, the effect of the infringement in general, as well as the extent of market confusion caused. In assessing the market value of the infringed trademark, it may also be of interest whether or not the trademark holder has previously tolerated other comparable infringements. However, even such tolerated infringements will hardly affect well-known trademarks with extraordinary reputation and prestige.

b) *Do the Courts consider whether the mark in question is one which is or was available for licence? If so, how does this affect their analysis?*

This method of calculation concerns a notional license contract, i.e. proof that conclusion of a license contract in fact would have been possible, is not required.⁷⁹ The Federal Court of Justice has on numerous occasions decided that the readiness to enter into a contract

⁷⁶ Berlitz, Markenrecht, 6th edition (2005), no. 353.

⁷⁷ Cf. Stumpf/Groß, Der Lizenzvertrag, 8th edition (2005), 156.

⁷⁸ Cf. Stumpf/Groß, Der Lizenzvertrag, 8th edition (2005), 157.

⁷⁹ Fezer, MarkenG, 2nd edition (1999), § 14 no. 522.

is no prerequisite for the choice of the licence analogy method.⁸⁰ It merely requires firstly, that from a legal perspective it is permissible to conclude a licence contract concerning the respective intellectual property rights and second, that from a practical perspective this would be in line with trade usage.⁸¹ Whether such customary practice exists will depend on whether the respective rights usually serve as objects of license contracts, which can without doubt be confirmed with regard to trademarks.⁸²

- 6) *The Groups are asked to summarise what information in relation to the unlawful activities causing the violation of the trademark can be obtained by the trademark owner in administrative or judicial proceedings in order to assess the level of monetary compensation.*

First of all it should be mentioned, that from a comparative law perspective, German Law takes a quite restrictive approach with regard to the means of obtaining information within judicial proceedings.⁸³ Even after having instituted a lawsuit, the plaintiff only is granted a right of information and a right to demand a record insofar as substantive law provides for such right. In spite of a slight extension of the scope of procedural information rights by the last amendment of the Civil Procedure Code (ZPO), rights of information are mainly based on provisions of general civil law (cf. sec. 242 BGB) as well as on the specific information right set forth under sec. 19 Trademark Act.

Jurisprudence grants a plaintiff who claims damages an auxiliary claim for information. This auxiliary claim is based on the principle good faith under sec. 242 Civil Code (BGB). It is dependant on the precondition that the existence of a claim for damages as such is confirmed. That means there must be a culpable trademark infringement and a likelihood that the plaintiff in fact has suffered damages. This requirement met, the disclosure of information may then also concern acts of infringement committed prior to the first act of infringement, the plaintiff could furnish proof for.⁸⁴ After the information has been provided, the plaintiff has the right to choose between one of the three possible methods to calculate his damages.⁸⁵

According to the prevailing jurisprudence, in trademark law – unlike in patent, copyright, and design law – the right of information is generally held to be limited to information on figures concerning the turnover generated under the respective trademark. According to this opinion the claim for information may not cover information about profit and expenses incurred.⁸⁶ This restrictive approach is based on the assumption that in case of trademark violation only a fractional amount of the infringer's profit results from the use of the trademark. As the amount of damages will regularly be estimated by the court the trademark holder would not need such information to substantiate the amount of his claim, and hence the disclosure of the infringer's cost calculation appeared to be unacceptable to the latter.⁸⁷ According to the Federal Court of Justice the infringer will only in exceptional cases be obliged to provide information about expenses incurred and respective profits, if and only if, the profit was 'almost solely' earned by the use of the trademark. This for instance may be the case with respect to the infringement of highly prestigious trademarks as well as in case of three-dimensional trademarks.⁸⁸ Apart from turnover figures, the infringer has to disclose the extent and the manner of advertising he has performed under the infringing sign (*Marktverwirrungsschaden* – extent of confusion caused on the market).⁸⁹

⁸⁰ BGH 17.6.1992, GRUR 1993, 55, 58 - Tchibo/Rolax; BGH 10.2.1994, GRUR 1994, 808 - Markenverunglimpfung I.

⁸¹ BGH 16.2.1973, GRUR 1973, 375 – Miss Petite; BGH 23.6.2005, GRUR 2006, 143 – Catwalk.

⁸² OLG Hamburg 12.6.2003, GRUR-RR 2004, 139 – Ergänzungslizenz-Analogie.

⁸³ Cf. McGuire, GRUR Int 2005, 15 ff. with further references.

⁸⁴ BGH 19.7.2007, GRUR 2007, 877 – Windsor Estate.

⁸⁵ Cf. supra 2 a).

⁸⁶ See for instance BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse.

⁸⁷ See for instance BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse.

⁸⁸ BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse.

⁸⁹ This is settled case-law, cf. BGH 12.2.1987, GRUR 1987, 364, 365 – Vier-Streifen-Schuh.

Some courts and parts of legal doctrine, however, follow a different approach: They argue that the right of information should always comprise both the disclosure of profits and the infringer's calculation of expenses,⁹⁰ because otherwise there would be no way to effectively control the information provided and to make an informed choice between the methods of calculation of damages. Therefore the infringer's profit has to be precisely disclosed to serve as a reliable basis to evaluate the fraction of the profit caused by the trademark infringement.⁹¹ With respect to the license analogy, the infringer's profit is similarly important because a reasonable licensee would in case of the expectation of higher profits accordingly agree to pay higher licence fees. Moreover, the Hamburg Court of Appeals rightly points out, that the Federal Constitutional Court has set strict boundaries to the admissibility for judges to assess damages not founded on a proper basis.⁹² This likewise requires disclosure of profits and of the calculation of expenses.

The claim for information is met by executing a respective instrument in writing. If the information is not disclosed in earnest, be it fragmentary, or a priori not trustworthy, the claim of information will persist.⁹³ Moreover, supplementary information may be claimed.⁹⁴ In extraordinary cases the Federal Court of Justice (BGH) grants a claim for disclosure of documents (receipts, vouchers etc.) to allow for a review of the reliability of the information disclosed.⁹⁵

In case the trademark owner deems the information to be false, he is neither entitled to claim other information nor rectification, because doubts with respect to its credibility do not render the disclosure fragmentary. Instead, the trademark owner is entitled to ask for a declaration of accuracy and integrity in lieu of an oath. However, this is only permissible if there is a well-founded reason to believe the infringer has disclosed his information with a want of care. If the declaration in lieu of an oath is not voluntarily made at the local civil court of first instance, the trademark owner can institute a separate civil action and claim that such declaration in lieu of an oath is performed.

According to the current proposal for a statute on the improvement of the enforcement of intellectual property rights,⁹⁶ which serves the implementation of Directive 2004/48/EC⁹⁷ a new sec. 19b will be added to the German Trademark Act. This draft provision shall secure the enforcement of the claim for damages and to this end provides that the disclosure of bank, financial or commercial documents may be ordered by the court if those documents are in the possession of the infringer and provided that it is questionable whether or not the claim for damages will be met without disclosure of the respective documents.⁹⁸

More comprehensive than the general right to information is the right to oblige the opponent party to render an account (*Rechnungslegungsanspruch*). By this means the entitled party can beyond the mere information demand full accounting, i.e. a self-explanatory schedule comprising a statement of revenues and expenditures together with the submittal of respective documents (sec. 259 para. 1 BGB). But the prevailing opinion holds this rule on rendering an account, which is valid in patent, copyright and design law, to be inapplicable in trademark law.

⁹⁰ Hacker, in: Hacker/Ströbele, MarkenG, 8th edition (2006), § 14, no. 299; OLG Hamburg 12.2.2004, GRUR-RR 2005, 109, 112 – Vorabinformationspflicht; OLG Hamburg 19.8.2004, GRUR-RR 2005, 260, 264 – Beloc Zok/Selokeen; OLG Hamburg 30.9.2004, GRUR-RR 2005, 265, 269 – Belegvorlage.

⁹¹ Cf. as an example OLG Hamburg 12.2.2004, GRUR-RR 2005, 109, 112 – Vorabinformationspflicht.

⁹² Cf. for example OLG Hamburg 12.2.2004, GRUR-RR 2005, 109, 112, 113.

⁹³ BGH 24.3.1994, GRUR 1994, 630, 631 f. – Cartier-Armreif.

⁹⁴ BGH 3.7.1984, GRUR 1984 728, 729 – Dampfrieserstab II.

⁹⁵ Teplitzky, GRUR 2003, 272, 277.

⁹⁶ Gesetzentwurf der Bundesregierung: Gesetz zur Verbesserung der Durchsetzung von Rechten des geistigen Eigentums of 24.01.2007, BT-Drs. 16/5048.

⁹⁷ Directive 2004/48/EC on the Enforcement of Intellectual Property Rights of 22.4.2004, OJ EU No. L 157, 45.

⁹⁸ For details compare Seichter, WRP 2006, 391, 399; Nägele/Nitsche, WRP 2007, 1047, 1054.

- 7) *One of the forms of the prejudice suffered by the trademark owner through the infringement is the damage to the trademark in a reputational sense (diluting exclusivity). The Groups are invited to report if this form of prejudice is considered by the Courts and what are the factors that are used in their evaluation?*

The damage a trademark owner can suffer by the loss of reputation of his trademark is called dilution, discreditation, or market confusion damage. It is comprised of, on the one hand, the costs that must be spent to eliminate the caused confusion within the affected trade circles,⁹⁹ and on the other, the danger of degradation of the trademark already suffered or impending as a consequence of the confusion in the market.

German jurisprudence has ever since a decision of the German Imperial Court¹⁰⁰ published in 1935 acknowledged the damage caused by diluting exclusivity of a mark as eligible for compensation. Since then, it is generally recognised that market confusion damage is part of the potentially recoverable damages and can be demanded in addition to either one of the three alternative methods of damage calculation described above¹⁰¹ (unless the loss of sales caused by the market confusion has already been considered within determining the amount of damage actually suffered).

Derived from a decision by the Federal Court of Justice¹⁰² from the 1950s it is settled case-law that the existence of a damage caused by market confusion is presumed in case of an infringement of a used trademark: the infringement of a trademark generally creates confusion in the market each time that two similar marks for similar goods or services, but of different owners appear in the market. As the relevant public is no longer able to associate the respective trademarks with one specific manufacturer, the trademark's function as an identification of origin and means of identification with the producer is affected.¹⁰³

The courts also have, even further, awarded compensation for possible future market confusion damage in cases where the infringed trademark had not (yet) been used.¹⁰⁴ However, on a case-by-case basis the courts have held that there may be little or no probability of market confusion damage caused by an infringement of a trademark which has not so far been used if such infringement was so short and of such low intensity that an actual damage appears unlikely, and if, moreover, there is no indication that the so far unused trademark will be used in the foreseeable future.¹⁰⁵

The central issue with respect to market confusion damage is how it apart from expenses actually incurred may be reliably quantified and proven. As a starting point the compensatable damage covers all expenses the trademark owner incurred in order to counteract the dilution or market confusion, for example the cost of specific advertising efforts and similar costs of clarification. However, regarding these, only expenses (or the respective fraction of such expenses) actually incurred for promotions can be compensated, whereas merely fictitious advertising costs will not be replaced.¹⁰⁶

The specific dilution or market confusion damage, which lies in the erosion of the value of the trademark and is much less manifest, is added to the recoverable costs mentioned above. In some cases this damage will be taken account of by an increase of the licence fees when recovering damages based on a license analogy; in others the damage is fixed independently, but will be factored as an additional recoverable position. In general, the parameters that are

⁹⁹ Marx, Deutsches, europäisches und internationales Markenrecht, 2nd edition (2007), 319.

¹⁰⁰ RG 2.11.1934, GRUR 1935, 175.

¹⁰¹ Ingerl/Rohnke, MarkenG, 2nd edition (2003), no. 76.

¹⁰² BGH 25.6.1954, GRUR 1954, 457 – Irus/Urus.

¹⁰³ BGH 25.6.1954, GRUR 1954, 457, 459 – Irus/Urus; BGH 12.1.1966, GRUR 1966, 375, 378 – Meßmer-Tee II; BGH 16.2.1973, GRUR 1973, 375, 378 – Miss Petite.

¹⁰⁴ BGH 19.11.1971, GRUR 1972, 180, 183 – Cheri.

¹⁰⁵ BGH 19.11.1971, GRUR 1972, 180, 183 – Cheri.

¹⁰⁶ BGH 4.3.1982, GRUR 1982, 489, 491 – Korrekturflüssigkeit.

used to assess the damage caused are identical to those used in determining a reasonable license fee. The usual factors taken into account are the degree of notoriety or fame and the reputation of the infringed trademark, the degree of likelihood of confusion, the degree of the similarity of the good or services, hence (also) whether the goods are counterfeits in a narrow sense. Also, the duration and intensity of the infringing acts and in this respect particularly the nature and extent of the marketing and promotion activities undertaken in favour of the infringing trademark, sales figures and the geographical extent of the infringement similarly play an important role. All in all it can be said that according to German jurisprudence the amount recoverable as damages for dilution of the mark or market confusion depends on the overall amount of damages awarded. Thus, the recoverable amount is normally in direct proportion to the overall amount awarded under other heads of liability, which for example was determined on the basis of the licence analogy method.

- 8) *The Groups are also asked to indicate if the moral/wilful element of the violation of a trademark right, and particularly the will to profit or gain from counterfeit activities (where the goods do not originate from the trademark proprietor or are not marked with his consent) is taken into consideration in the evaluation of the damages and/or the account of profits. If so, what are the consequences?*

The calculation of damages is independent from the question, if the infringement was caused negligently or deliberately. Both, levy of the infringer's profit and damages based on the licence analogy, which are the two most frequently used methods to calculate damages, are evenly applicable in cases of negligent and deliberate infringement. Accordingly, there is no difference in the calculation of damages between wilful and negligent infringement. Contrary to patent infringement cases, where the infringer who merely is reproached to have acted with in slight negligence only, will only be obliged to pay an indemnity, but not be held liable for full damages (see sec. 139 para. 2 Patent Act), no corresponding differentiation is provided for in trademark law.

The Groups are also asked to indicate if ignorance of the trademark and/or ignorance of the infringement is taken into consideration in the evaluation of damages or the account of the profits.

Finally, is the scale of the counterfeiting or piracy an additional element which influences the assessment of damages and/or account of the profits? If so, what are the consequences?

As mentioned before, claims for damages under sec. 14 Trademark Act require fault, i.e. negligence or intention, on the side of the infringer. For the purpose of the calculation of damages no differentiation is made between different degrees of fault. According to precedents, courts usually apply a strict standard on the question of lack of fault (or negligence respectively). Accordingly, there are hardly any cases, where courts held that the infringer has not acted at least negligently; and in practice there is no reasonable chance to plead an error in law.¹⁰⁷

These rules of calculation are similarly applied in cases of trademark piracy: the lack of a special sanction applicable to cases of commercial, deliberate trademark infringement has been subject to criticism by some legal scholars.¹⁰⁸ The German Parliament will, however, also in the course of implementing the Directive 2004/48/EC hold on to the principle that damages merely serve the purpose of compensation. Awards of supplemental damages such as an increased licence fee, as for example foreseen in the original version of the Directive and permissible even under the recent version,¹⁰⁹ are not provided for in the present government draft for the statute implementing the Directive.

¹⁰⁷ Ingerl/Rohnke, MarkenG, 2nd edition (2003), Vor §§ 14-19 no. 110.

¹⁰⁸ Cf. supra note 14; on the transformation of the Directive see Ohly, GRUR 2007, 926, 929.

¹⁰⁹ Hacker, in: Hacker/Ströbele, MarkenG, 8th edition (2006), § 14, no. 290.

If the claim for damages fails because the infringer has neither acted deliberately nor negligently and thus the requirement of fault is not met, he may still be obliged to compensate the trademark owner under the rules on unjustified enrichment and accordingly will have to reconstitute what he received by the use of the trademark, – which generally will again amount to a regular licence fee.¹¹⁰

- 9) *Is the evaluation of damages based on the same principles in cases where the infringement also constitutes a violation of a contractual obligation, for example, a violation of a licence?*

Under sec. 14 para. 2 Trademark Act anybody who uses a trademark in the course of trade without the consent of the trademark owner will be liable for damages. Accordingly, a person who uses the trademark *with* consent acts lawfully. The permission to use another's trademark typically is granted by means of a licence contract, but can similarly be agreed upon by a mere obligatory permission or by granting a restricted right *in rem*, such as a usufruct in the trademark. On the basis of, and to the extent provided for by, such agreement the contracting party may participate in the trademark owner's exclusive position. Beyond the scope of the agreement, however, the licensee – similar to any third party – acts in violation of the trademark.

In case the licensee exceeds the scope of his contractual permission thus the question arises whether this excess use merely constitutes a violation of his contractual obligations towards the trademark owner or whether such acts at the same time constitute a trademark violation. As a general rule it has been established, that a licensee who acts within the frame of his right of use but violates other contractual duties, will only be held liable on a contractual basis according to sec. 280 et seqq. BGB.

If by contrast the licensee exceeds the scope of his right to use the trademark and thus contravenes any contractual provision with regard to its duration, the form, the scope of the goods or services for which the licence is granted, the territory in which the trademark may be affixed, or the quality of the goods manufactured or of the services, then such violation of the contractual stipulations at the same time constitutes a trademark infringement. In this case the trademark owner is not restricted to contractual remedies but may claim forbearance and damages.

A claim for damages in this case can be based either on the general provisions of the law of obligations, i.e. sec. 280 et sequ. BGB or on sec. 14 Trademark Act. For sec. 30 para. 2 Trademark Act – which follows the pattern of Art. 8 Trademark Directive – explicitly provides, that a trademark owner may invoke all rights, including his right to damages, conferred upon him by the trademark also against a licensee. It should, however, be mentioned that sec. 30 para. 2 Trademark Act merely serves the purpose of clarification.¹¹¹ Therefore the same rules must apply in case the excess of permission was conducted not by a licensee but by the holder of another contractual right of use.

This has the consequence that the trademark owner can avail himself of all remedies against the licensee, which he would have under general rules against any third infringing party.¹¹² In addition to the claim for damages based on sec. 14 Trademark Act also the remedies provided for in sec. 18 and 19 Trademark Act on definitive removal from commercial channels and rightholders right to information. Within this framework the trademark owner accordingly can also with regard to a claim for damages against the licensee exercise his options to choose the method of calculation.

¹¹⁰ BGH 18.12.1996, GRUR 1987, 520 – Chanel No. 5 (I).

¹¹¹ Ingerl/Rohnke, MarkenG, 2nd edition (2003), § 30 no. 64.

¹¹² Cf. BGH 7.12.1979, GRUR 1980, 227, 230 – Monumenta Germaniae Historica.

An exception however is made in case the licensee has adhered to the contract and acted within the agreed scope of usage but only afterwards finds out that the contract has been null and void *ab initio*. Despite the fact that the granting of a right of use accordingly must similarly be held to cease with retroactive effect, the use of the trademark by the putative licensee may yet not be held to be illegal.¹¹³ Accordingly, a compensation will only take place on the basis of unjustified enrichment law,¹¹⁴ whereas the trademark owner is not entitled to claim damages for infringement under sec. 14 Trademark Act.

- 10) *The Groups are also invited to explain the problems and practical difficulties that the trademark owners face in the assessment of the damages and/or account of the profits for the violation of trademark rights?*

In order to bring his claim for damages to court the trademark owner depends on the disclosure of reliable information about the extent of the infringing use and the turnover (or profit generated respectively) by such use. Thus, he is confronted with the problem that the information disclosed by the infringer can hardly be checked, especially so in cases, in which the right of information was *a priori* limited to turnover figures and advertising activities.¹¹⁵ Therefore, the trademark owner is often not aware of whether or not the information disclosed by the infringer was exhaustive and correct. In principle he may demand amendment or apply for a declaration in lieu of an oath.

This situation, of course, is hardly satisfactory for the infringed party as, in practice, the question whether the information disclosed is incomplete and therefore he is entitled to claim supplemental information or whether he is restricted to a claim for a declaration in lieu of an oath, is often difficult to decide. If too broad a claim for information is introduced in court – i.e. especially comprising a request for information with respect to profit and calculation of expenses – the trademark owner runs the risk that his action will be partially dismissed with the consequence that he then has to bear a part of the litigation costs.

Moreover, it is quite risky to bring suit for a certain amount of damages. In this case the plaintiff again runs the risk that his action will be partially dismissed should the court make use of its discretionary power to assess the damages under sec. 287 Civil Procedure Code and hold a lower quota of turnover (or profit respectively), to be caused by the trademark infringement. If the plaintiff, on the other hand, is too cautious when calculating his claim, he bears the risk to lose a part of his legitimate claim.

- 11) *In some cases the national law may provide, as a remedy for the violation of the trademark right, for the confiscation of the products bearing the illicit sign.*

If this applies in their national law, the Groups are asked to indicate, if this confiscation influences the evaluation of the damages.

The seizure of infringing products is not explicitly provided for under current German statutory law, but instead is an instrument applied by the courts to effectively enforce and execute the claim for destruction stated within § 18 Trademark Act. Courts therefore usually issue decisions to seize the infringing products in order to safeguard the claim for destruction under § 18 Trademark Act.

The trademark owner may request the destruction of the infringing goods from the infringer. The claim for the destruction is excluded under the existing laws only in cases, where the trademark infringement through the goods may be eliminated by other means and the

¹¹³ Hacker, in: Ströbele/Hacker, MarkenG, 8th edition (2006), § 15 no. 24.

¹¹⁴ BGH 14.3.2000, GRUR 2000, 685 – Formunwirksamer Lizenzvertrag

¹¹⁵ Cf. supra 6.

destruction of the goods would be disproportionate for the infringer or the owner. Such disproportionate cases, however, are rare exceptions.¹¹⁶ The aim of the Trademark Act to establish the destruction of infringing goods as a regular consequence of infringement – according to the Federal Court of Justice – requires a narrow interpretation of the exception provided for.¹¹⁷

The destruction of the goods is required in all cases where a legal condition of the goods may not be reached by other means.¹¹⁸ Similarly the measure will apply in case of illegal import of original goods.¹¹⁹ Only in exceptional cases the restriction to import goods may replace the destruction, if the products concerned are originally branded and the act merely has an infringing character because it is imported into the European Union under violation of an import restriction under trademark law.¹²⁰

Under the present case law the trademark owner may according to sec. 18 Trademark Act request the recovery of goods from the infringer in order to destroy the products.¹²¹

The claim for destruction is a specific emanation of the claim for restitution into the proper legal situation and is a separate remedy available in addition to the claim for damages. The claim for destruction of the infringing goods and the actual destruction of said goods do neither limit nor reduce the claim for damages. Therefore imported or manufactured goods that have been destroyed by the trademark owner will despite their destruction be taken into account with regard to the calculation of damages.¹²² Therefore the claim for destruction and the claim for damages are completely independent of each other.

- 12) *The Groups are asked to indicate if the jurisprudence in their countries is a useful source of information and comparison on the assessment of monetary compensation for the violation of the trademark rights.*

In this context, the Groups are invited to indicate if they are satisfied with the degree of certainty in their laws on evaluation of the compensation.

As mentioned above, at present there are no statutory rules on the question how damages are to be calculated in the field of intellectual property law. Indications of the legislator on this issue are rare.¹²³ They all are found within rather recent legislation and usually merely refer to precedents as established by the judiciary.

As a reaction to the problem that the regular rules of civil law on calculation of damages which rely on the balance method burden the owner of intellectual property rights with nearly unsolvable problems with regard to litigation, the courts have developed alternative methods on calculation of damages specifically for the field of intellectual property, namely the license analogy method, on the one hand, and the method to levy the infringer's profit on the other.

Due to the relative simplicity of the method of calculation the license analogy method by far prevails in practice. However, even with regard to the licence analogy quite a number of issues are still unclear and disputed. In fact it is not really clear on which basis the economic assessment of the licence has to be carried out. Especially in cases of product piracy the sole relevance of the infringer's turnover for the assessment of the licence fee is doubted and a matter of dispute. In such cases a minimum licence fee or fees per piece would appear

¹¹⁶ BGH 10.4.1997, GRUR 1997, 899 – Vernichtungsanspruch.

¹¹⁷ Cf. BGH 10.7.1997, GRUR 1997, 899 – Vernichtungsanspruch.

¹¹⁸ OLG Düsseldorf 13.2.1996, GRUR 1997, 49 – Beuys-Fotografien.

¹¹⁹ BGH 14.12.1995, GRUR Int 1996, 726 – Gefärbte Jeans.

¹²⁰ LG Düsseldorf 4.7.1995, GRUR 1996, 66 – adidas-Import.

¹²¹ BGH 10.4.1997, GRUR 1997, 899 – Vernichtungsanspruch.

¹²² KG 5.3.1991, GRUR 1992, 168, 169 – Dia-Kopien; BGH 16.11.1989, GRUR 1990, 353 – Raubkopien.

¹²³ See for instance sec. 42 para. 2 Design Act.

more appropriate. Further even the level of the licence fee itself is unsettled. Despite the statutory provisions allowing estimation of damages by the court, it yet will in case of doubt be necessary to obtain expert opinions; at least if the level of licence fees is at the core of the dispute between the litigation parties.¹²⁴

Even more unsettled questions remain with regard to the calculation method based on the infringer's profits. Here two central issues frequently give rise to discussions in court proceedings: the first problem is the calculation of the profit that actually or purportedly has been gained by the infringer. Frequently it is a matter of dispute what costs or which kind of costs may be deducted and taken into account in the calculation of the profit. The current tendency of the judiciary is that overhead costs,¹²⁵ which are incurred independently from the actual production costs, may not be deducted from the turnover.¹²⁶ However, the details have not yet become quite clear and the development within legal practice has not yet come to an end.

The second aspect usually disputed is the decisions on the relevant fraction of the infringer's profits that may be attributed to the infringement of the intellectual property right. Usually not the entire profit of the infringer will be attributable to the infringement of the respective intellectual property right.¹²⁷ Therefore the courts have to estimate which percentage of the profits may be attributed to the infringement of the intellectual property right.¹²⁸ Frequently courts attribute 20 to 40% of the profit to the infringement. However, the determination of this share bears some uncertainty and can hardly be calculated in advance, neither by the trademark owner nor by the infringer.¹²⁹ Both attorneys and their clients are thus not satisfied with the present situation and the lack of legal certainty. Recent court decisions cannot fill this gap as they insofar do neither provide for reliable guidelines.

The parties therefore would prefer if the calculation of damages would generally be conducted on the basis of a licence analogy. Indeed an increase of the licence rates in cases of deliberate infringement would commonly be applauded. The German legislator had planned to introduce such a solution in one of its late drafts. Similarl the European Commission had foreseen to set damages at the level of a double licence in the draft Directive 2004/48/EC. However, these proposals have been abandoned by both institutions within the drafting process.

- 13) *The Groups are finally asked to explain any other issues related to the topic which would appear useful in the examination of the question.*

II) Proposals for the future harmonisation

- 1) *The Groups are requested to indicate if the evaluation of damages for violation of the trademark rights should be the subject of the international harmonisation and if this harmonisation should be undertaken through an international treaty.*

We believe that due to the recent efforts towards harmonization on the level of the European Union by means of the Directive 2004/48/EC no further initiatives should be taken with regard to the evaluation of damages for damages for violation of trademark rights. We instead would advocate that the implementation of the Directive and a first assessment, whether the newly introduced provisions are successful, should be awaited.

¹²⁴ BGH 6.10.2005, GRUR 2006, 136 – Pressefotos.

¹²⁵ BGH 2.11.2000, GRUR 2001, 329 – Gemeinkostenanteil.

¹²⁶ BGH 21.9.2006, GRUR 2007, 431 – Steckverbindergehäuse.

¹²⁷ OLG Köln 16.3.1990, GRUR 1991, 60 – Rolex-Imitation.

¹²⁸ BGH 6.10.2005, GRUR 2006, 419, 420 – Noblesse; BGH 7.2.2002, GRUR 2002, 532, 535 – Unikatrahmen; OLG Frankfurt 13.3.2003, GRUR-RR 2003, 274 – Vier-Streifen-Kennzeichnung.

¹²⁹ OLG Hamburg, 5 U 133/04 of 24.04.2006; BeckRS 2006, 13562.

- 2) *The Groups are requested to indicate what should be, based on their national experience, the harmonised system for the evaluation of damages for violation of the trademark rights.*

The group would as a general rule recommend to retain the rule on triple damage calculation as it has been developed by the judiciary, but would support to strengthen the attractiveness of the licence analogy method.

Without arguing in favour of punitive damages, we believe that it would be advisable to provide for a noticeable sanction applicable in cases of deliberate or grossly negligent trademark infringements. The AIPPI has already dedicated its attention to this issue within the frame of Q186.¹³⁰ Nr. 3 of the respective AIPPI resolution holds extended damages to be an appropriate measure for cases of deliberate infringement. We would want to hold on to this approach. The legislator should provide for a variable multiplier by which factor the usual licence fee may be multiplied and which should according to the circumstances lie between the factor 1 and 2.

This approach is based on the presumption that in case of a licence contracts the licence fee will be set at a level, which allows to evenly split the benefits gained from the use of the intellectual property right between the licensor and the licensee. This allows to presume that the benefit an infringer can draw from an infringement will as a rule amount to the double usual licence fee. Accordingly the infringer, if damages are calculated on the basis of the regular licence fee, be left with a respective gain in the amount of a simple regular licence fee.

In line with the report on Q186 we therefore recommend that the licence fee will regularly be multiplied by a factor of 1,5, which could be reduced to a simple regular licence fee in cases of slight negligence and augmented to a double regular licence fee in cases of deliberate infringement. Such a legal presumption for the calculation of damages would further meet the needs of legal practice for a simple method of calculation which at the same time renders time-consuming and laborious court proceedings (including the necessity of expert opinions) superfluous.

- 3) *The Groups are invited to make any other suggestions about possible future developments of the present question.*

We further believe that the possibilities of the trademark owner to obtain information from the infringer should be improved. Whereas this issue currently is still a matter of dispute we believe that it should be generally acknowledged that the infringer of a trademark is obliged to provide accounts on his expenses and his turnover. This duty should be independent of the issued, which quota of profits can be directly attributed to the infringement as such, because this data is necessary in order to estimate the amount of turnover which was generated as a result of the trademark infringement.

Further it should be considered whether the trademark owner should be entitled to oblige the infringer to render an account, because this information would enable him to actually control the accuracy of the information disclosed. By this means at the same time the complicated and time-consuming proceedings for the declaration in lieu of an oath could be avoided.

Summary

The central provision with regard to damages for infringement, counterfeiting and piracy of trademarks is sec. 14 Trademark Act, which entitles the trademark owner to claim damages in all cases of culpable infringement of his exclusive right of use in the trademark. Sec. 14 Trademark Act provides for a uniform remedy, i.e. it neither draws any differentiation according to the manner, form

¹³⁰ Cf. the German National Report by Haft/Donle/Ehlers/Nack, GRUR Int 2005, 403 ff.

or extent, nor between deliberate and negligent infringement. In fact the rule is similarly applied to a licensee who exceeds the scope of licence and thereby commits a trademark infringement. Even with regard to cases of deliberate commercial infringement (product piracy) German law does not provide for specific sanctions.

At present, there are no specific rules on the calculation of damages in case of trademark infringements, but it is proposed to introduce such rules in the course of implementation of Directive 2004/48/EC into German law. The new provision to be enacted will codify the rules on calculation of damages as they have been developed by the judiciary, but do not intend to alter the current legal situation. Despite the fact that the rules of general private law similarly apply in the area of trademark law, the judiciary has developed the so-called triple damage calculation, i.e. specific rules on the calculation of damages for infringement of intellectual property rights. According to this rule the trademark owner has the choice between two mutually exclusive methods to calculate damages: He can either demand the damage actually suffered, levy the profits of the infringer or opt for an adequate licence fee. Primarily as a consequence of the rules on evidence the method to calculate damages by means of a licence analogy is the most important in practice. In addition to damage actually suffered by the infringement committed the judiciary further grants the trademark owner damages for disadvantages caused by a market confusion.

Legal practice is discontent with the current situation mainly for two reasons: First, in order to calculate the amount of damages the trademark owner depends on the cooperation of the infringer. The respective rights to information, however, are too restrictive and impose considerable procedural burdens on the claimant. Secondly, it is criticised that the amount of damages is inadequate for cases of product piracy, as they neither provide for full compensation of the trademark owner, nor effectively deter any potential infringer.

Résumé

L'article 14 de la Loi des Marques (Markengesetz) est la stipulation centrale concernant les dommages et intérêts pour la violation, la contrefaçon et le piratage des marques. Il admet au titulaire de la marque des dommages et intérêts pour chaque atteinte fautive à ses droits exclusifs. L'article 14 prévoit un droit unitaire, i.e. il ne considère ni la façon, ni la forme, ni l'étendue de la violation du droit du titulaire. Il ne distingue pas non plus le degré de la faute. Cette stipulation est aussi appliquée au licencié qui excède son droit d'exploiter la marque, en violant ainsi les droits du donneur de licence. Sont également sanctionnées de la même façon les personnes faisant métier de contrefaire et/ou agissant à dessein. La loi allemande ne prévoit pas de sanctions spécifiques concernant ce type de violations.

Momentanément, ils n'existent pas de règles spécifiques pour le calcul des dommages et intérêts; cependant, il est prévu que la transcription de la directive (CE) n° 48/2004 donne lieu à l'insertion de ces règles. Ainsi, les principes spéciaux, formés par la juridiction allemande pour le calcul des dommages et intérêts en vue des droits de propriété industrielle, seront intégrés dans la loi sans qu'une novation juridique en soit la conséquence. L'indemnisation par l'allocation de dommages et intérêts se fonde sur les règles communes en droit civil. Mais les juges de ce domaine ont y ajouté une méthode appelée "méthode triple pour le calcul des dommages et intérêts". Selon elle, le titulaire d'un droit de propriété industrielle peut choisir entre trois possibilités de calculer les dommages et intérêts. Soit il calcule la perte subie, soit il prend le gain du violateur, soit on détermine les dommages et intérêts en vue du montant qui aurait été stipulé dans un contrat d'exploitation. Pour des raisons de la preuve, la méthode la plus souvent appliquée dans la pratique est cette dernière, dénommée "méthode d'analogie de licence". En outre, la juridiction admet au titulaire des dommages et intérêts pour la "perturbation du marché" dont il souffre.

La pratique a exprimé son mécontentement de la situation présente, principalement pour deux raisons: premièrement, le titulaire de la marque dépend de la collaboration du violateur, pour le

calcul de ses dommages et intérêts. Mais les droits à l'information qui s'y appliquent n'admettent qu'un accès restreint et imposent un fardeau assez lourd concernant les risques du procès. Deuxièmement, les juristes critiquent que les dommages et intérêts dans les cas d'une violation préméditée et faisant métier sont trop bas, parce que le montant n'indemnise pas suffisamment le titulaire. En outre, les violateurs potentiels ne sont pas découragés.

Zusammenfassung

Die zentrale Norm über Schadenersatz für Verletzung, Fälschung und Piraterie findet sich in § 14 MarkenG, der dem Markeninhaber einen Anspruch auf Schadenersatz für alle schuldhaften Eingriffe in sein ausschliessliches Markenrecht gewährt. Der Anspruch ist grundsätzlich einheitlich ausgestaltet, d.h. er differenziert weder nach Art, Form oder Umfang der Markenrechtsverletzung, noch nach dem Grad des Verschuldens. Die Regelung wird auch auf den Lizenznehmer angewandt, der den Umfang seiner Berechtigung überschreitet und dadurch eine Markenrechtsverletzung begeht. Selbst für den Fall der gewerbsmässigen, vorsätzlichen Markenrechtsverletzung sieht das deutsche Recht keine besonderen Sanktionen vor.

Besondere gesetzliche Vorschriften für die Berechnung des Schadenersatzes bei Markenrechtsverletzungen bestehen derzeit nicht, sollen aber im Rahmen der Umsetzung der RL 2004/48/EG demnächst ins deutsche Recht eingefügt werden. Dadurch sollen die von der Rechtsprechung entwickelten Sonderregeln für die Berechnung des Schadenersatzes bei Schutzrechtsverletzungen gesetzlich verankert, inhaltlich aber gegenüber der geltenden Rechtslage keine Veränderung bewirkt werden. Obwohl auch im Markenrecht an sich die Regeln des allgemeinen Zivilrechts Geltung beanspruchen, wurden diese durch die Rechtsprechung um die sogenannte 'dreifache Schadensberechnungsmethode' ergänzt. Der Schutzrechtsinhaber hat danach ein Wahlrecht, ob er den Schaden nach dem konkret entgangenen Gewinn, nach dem Gewinn des Verletzers oder an Hand einer Lizenzanalogie berechnen will. Aus primär beweisrechtlichen Gründen ist die Berechnungsmethode der Lizenzanalogie in der Praxis dominant. Zusätzlich zu dem konkreten Schaden für die erlittene Markenverletzung gewährt die Rechtsprechung dem Inhaber auch Ersatz für den Markverwirrungsschaden.

Die Praxis ist mit der geltenden Rechtslage primär aus zwei Gründen unzufrieden: einerseits ist der Markenrechtsinhaber für die Berechnung des Schadens auf die Mitwirkung des Verletzers angewiesen. Die entsprechenden Auskunftsansprüche sind jedoch zu restriktiv gefasst und büden dem Verletzten ein erhebliches prozessuales Risiko auf. Andererseits wird kritisiert, dass der Schadenersatz für die Fälle der vorsätzlichen, gewerbsmässigen Verletzung zu niedrig angesetzt ist, weil er den Schutzrechtsinhaber nicht voll entschädigt, potentielle Verletzer nicht ausreichend abschreckt.