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Received a German cease-and-desist letter?

(„Abmahnung“)

Handbook Guide giving primary assistance

**At the same time a survey of the German
Intellectual Property Law**

**About the correct legal handling when received
a cease-and-desist letter** in the field of Unfair
Competition Law, Trademark Law, Design Law,
Domain Law, Patent Law and Copyright Law.

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About the correct legal handling when received a German cease-and-desist letter in the field of Unfair Competition-, Trademark-, Design-, Domain-, Patent- and Copyright Law.

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1. Foreword

This Ebook was published in the German language for the first time in October 2009 and since then enjoys great popularity in the internet. It was written for those who have received a cease-and-desist letter. Examined are cease-and-desist letters which deal with the infringement of industrial property rights (trademarks, further marks, domains, industrial design, patents and utility patent), infringement of copyrighted right of user, and cease-and-desist letters referring to infringement of unfair competition law.

This is a reviewed version of “Received a cease-and-desist letter” „Abmahnung“, “handbook pocket guide” reflects the newest legal status. The new regulations from 2009 in reference to the infringed person having statutory claim on submission and inspection as well as submission of bank- finance- and trading records are discussed; and the current law for example in reference to power of attorney and the restitution of patent attorney costs.

This version also now has an outline on intangible property right (intellectual property- and copyright) as well as a deepened execution in reference to the abuse of legal right. Further you will find a listing of indications which will advert to the weak points of the received cease-and-desist letter. If you find one or more indications to fit your received cease-and-desist letter, it makes sense to take a sharp look at it: mostly in these cases, the claimed entitlements are not, or at least not in the claimed pre-formulated form, enforceable.

To receive a cease-and-desist letter is always unpleasant. One tends to imply dishonest motives on the warning side; sometimes the situation is not taken seriously. A cease-and-desist letter cannot just be ignored as it does not solve itself. It should always be kept in mind, that the costs for a lost trial in the field of intellectual property right and unfaircompetition law, as well as, copyright law are high.

This guidebook gives answers to most of the questions that arise on the warned parties’ side when received a cease-and-desist letter. Is the cease-and-desist letter

legitimated or in abuse of the applicable law. Should I sign the cease-and-desist declaration? Can I modify the cease-and-desist declaration? Must I pay the lawyers or even the patent lawyers costs? And if yes, up to which amount? What happens when I violate the conditions of the cease-and-desist declaration? Must I react when warned unjustified? Does my defense insurance cover the costs? Last but not least, can I defend myself? The guide reflects strategies and aspects solely based on to the newest appellate court decisions as well as jurisprudence of the German And European Supreme Court. Only these are relevant for the practice.

The “Attachment” holds two examples, these examples are not useful for those who themselves want to send out a cease-and-desist letter, as they include passages which would be objectionable.

The clauses are explained in detail. Additionally, colored support is given as a guide: Clauses and the pretext are supported in according color. Meaning, each clause is highlighted in the same color as its corresponding exemplified text.

Last but not least: It’s all about justice. There is never only black or white, wrong or right. Different judges in different cases pronounce a different judgment. In Germany we do not know case law. Courts here always put the impact on the circumstances of the individual case. In refer to a prejudicial cease-and-desist letter, it is all about estimation of presumption. After receipt of a cease-and-desist letter, an individual who has read this “guide” is able to estimate a possible reaction to such a warning. Thus, this is the real purpose for the guide.

Frankfurt am Main, January 2011

Thomas Seifried

2. What is a cease-and-desist letter?

A so called cease-and-desist letter is when one is requested to desist a certain infringement. Also included is a clause where you are requested to pay a contract penalty when infringing the cease and desist declaration in the future. Additionally the warning party mostly insists on disclosure and compensation as well as paying his lawyers costs.

Clearly to be distinguished from a cease-and-desist letter is a notice for production of legitimacy claim (“Berechtigungsanfrage”) or indication on industrial property rights (“Schutzrechtshinweis). These are solely requests toward a potential infringer. The proprietor of a right asks the potential infringer, which right he claims to exclude the potential infringement. A notice for production of legitimacy claim (“Berechtigungsanfrage”) or an indication on industrial property right (“Schutzrechtshinweis), have a completely different goal, and cause different legal consequences as a cease-and-desist letter. In refer to this please read Point 9. “Request for authorization / reference note to property right”.

The aforementioned infringement for example could be by unfair advertisement in the field of unfair competition law. One can find a complete paper about advertising law especially about unfair competition law in my free EBook: “Rechtssicher werben” (“How to advertise in a legally admissible form”).

Also intellectual property rights can be infringed. These rights can be registered or not registered trade mark rights.

3. Short abstract with reference to intellectual property right terms

Intellectual property rights can be subdivided into registered and not registered trade mark rights.

Intellectual property rights that arise by registration at an office such as the DPMA (German Trademark and Patent office), the OHIM (Office of Harmonization for the Internal Market – the European Office for

Trademark and Community Designs) WIPO (World Intellectual Property Organization), are so called registered trademarks, designs, patents and petty patents. Trademarks, as well as designs can also come into being by use only; meaning, without the need of registration. A design can come into being only by publication as an unregistered Community design. A trademark can come into being solely by usage and a certain degree of publicity. Also there are company symbols and work titles that come into being, just by use. A trademark labels a product, meaning goods and services. A company symbol labels a certain company or a part of a certain company. A work title labels a work, i.e. the name of a stage entertainment or a software/app.

Also there are the copyright laws which arise without any registration. These rights arise solely by creation. This right is non-transferable. But, the right of use in refer to the copyright is transferable, e.g. the right to publish or copy a certain work. Also regulated by copyright law are the related rights, such as the photographers’ rights as well as the database right.

Trademarks, company symbols, work titles, further marks, industrial design, patents and petty patents are so called industrial property rights. Infringement of such industrial property is stated when the infringer acts on a commercial basis, not on private basis as a private person. He, who for example, sells a plagiarism privately does not infringe a trademark. This distinction is always a main aspect in the eBay cases. The industrial property rights together with the unfair competition law may be called “protection of industrial property” (“gewerblicher Rechtsschutz”).

On the other hand infringement of copyright does not need activity on a commercial basis. If action was on the private or commercial basis is only important for the accountability (amount calculated for the cease-and-desist letter) and the criminal liability.

A general view dealing with industrial property rights and copyright law is to be found in my free EBook “Rechtssicher werben” (“how to advertise in a legally admissible form”).

4. Purpose of a cease-and-desist letter 5. Who may warn – the right to sue

4.1 No procedural requirements

Firstly: A cease-and-desist letter is not required to bring legal action. He, whose trademark or patent right has been infringed, can sue or bring action for an injunction against the infringer immediately without sending out any cease-and-desist letter in advance. This action is advised in special urgent cases, for example, at current exhibitions or in the case where the infringer need not be unnecessarily warned in advance. Where one seeks an injunction prior to sending out a cease-and-desist letter (often referred to as a “Pearl Harbour”) one cannot obtain reimbursement for the costs of the cease-and-desist letter. Should the cease-and-desist letter be sent out after decision was given in summary proceedings but before the injunction was delivered, the costs for the cease-and-desist letter will not be reimbursed.

4.2 (But) avoidance of proceedings

Main aspect of the cease-and-desist letter is to avoid a trial. Court proceedings in the field of trademark-, unfair competition-, domain- and patent law, intellectual property, design- and utility patent are very cost intensive, as well as in the field of copyright. If the warned party signs the cease and desist declaration, the conflict can be settled less expensive.

4.3 Avoid instant acknowledgement

Another reason for sending out a cease-and-desist letter is stated in the German civil procedure law, so called “immediate acknowledgement” (“sofortiges Anerkenntnis”). When a suit is brought without the party having the prior possibility to react as requested, or to refrain from doing what would be legally forbidden, the suit can be acknowledged immediately; In this case, the respondent would then be contractually convicted, but need not pay court costs. In difference to basic German legal principles, the claimant in this case, even though he has now won the trial; must cover court costs. One tries to avoid this situation.

He, who sends a cease-and-desist letter, must be authorized to do so (so called: “Aktivlegitimation”). This is the case, when he, who was infringed was infringed in own rights and is allowed to claim this infringement. As a basic principle these are the proprietor of original or derivative rights: “Popular action”, perception of third party rights on one’s own behalf, is hardly known in the German civil right. Mostly it is the holder of the intellectual property rights who sends out the cease-and-desist letter himself. He, who possesses trademark, a patent or a design patent, is without question “authorized”.

Under German jurisdiction, the same applies for the holder of exclusive right of utilization (license) on a trademark, a patent or petty patent as well as design patent and a copyrighted easement. Exclusive in this case means: also under exclusion of the right holder, for example the holder of the design patent or the creator. But he, who holds a non-exclusive trademark license and wants to assert a claim always needs the authorization of the right holder.

HINT: He, who receives a cease-and-desist letter where the warning party claims to be a non-exclusive license holder, should declare to sign the cease-and-desist declaration, as soon as the warning party verifies to be entitled by the holder of the right.

Exceptions to the rule where only the holder of the right is allowed to warn, is made for the trade- and consumer association. This is regulated by law in the German unfair competition law as well as in the field of the trademark law for the geographical indication of source. The associations here are only allowed to claim injunctive relief and abatement. They are not entitled to assert subsequent claim, meaning the claim for disclosure in preparation for compensation as well as the compensation itself.

To be authorized to warn, the association must be vested with legal capacity. (e.g. as an incorporated society, “German e.V.”). In their articles of association or by law, there must be a regulation that the association is entitled to claim the members’ rights in its own name.

HINT: For a small charge fee the articles of association are to be found in the public register under:
<http://www.handelsregister.de>

Also, the association has to at least have a certain amount of members who distribute similar products. An organization with only a few members, which themselves have own organizations with a large amount of members, would be entitled to warn. This way government wants to provide that small organizations are founded as a “cease-and-desist- organization” with the only goal to warn, through which they generate money. Further, the organization must be able to pursue the interests of the members, meaning it must have a certain financial capacity, a branch office and adequate personnel.

Also entitled to warn, are the consumer associations who as are listed as a “qualified institution” either at the Federal Office of Administration or at the European Commission. Those further entitled to warn are the Chambers of Industry and Commerce and the Chamber of Crafts.

The costs lump sum costs for a cease-and-desist letter sent out by the associations is far under the lawyers fee that are demanded in the cease-and-desist letters sent out on behalf of the infringed right holder. For example the Center for Combating Unfair Competition (Wettbewerbszentrale) in Bad Homburg asserts a charge of 195, 00 € plus 7% VAT.

Time and again there are cease-and-desist letters sent out by alleged associations or organizations who pretend to represent consumer’s interests. These associations mostly do not have under German law the required financial capacity, a branch office or adequate personnel and therefore are not entitled to sue.

■ FOR EXAMPLE

Through a long-established Center for Combating Unfair Competition, there is a disputable presumption that it is entitled to issue a cease-and-desist letter (Read in: OLG Düsseldorf BeckRS 2008, 06843)

6. Who can receive a cease-and-desist letter? (Who can be receptor of a cease-and-desist letter?) - capacity to be made a defendant

6.1 Offender/violator

As a basic principle anyone who infringes third party’s industrial property and related rights or who violates unfair competition law regulations can become receptor of a cease-and-desist letter. This is the so called “Passivlegitimation” capacity to be made a defendant. This capacity is inherited by every infringer of rights. In the field of unfair competition law, also he who acts for an external company can be an offender. The company in this case must not necessarily be a competitor in the same field as the warning party.

■ FOR EXAMPLE

A magazine which promotes an ointment in the editorial part of the paper under “In and Out” supports the ointment manufacturers’ sales. The magazine itself, even though not being the ointment manufacturer, therefor acts anticompetitive because of camouflaged advertisement. (Decided by: OLG Munich, to be read in NJW-RR 2001, 1549)

6.2 Violator of rules of conduct

Delinquent of an infringement is also he who infringes competitive- and/or intellectual property rules of conduct (so: BGH GRUR 2009, 597 – Halzband, also: BGH GRUR 2007, 890 – Jugendgefährdende Schriften bei eBay). Such rules of conduct can either be required care or required inspection duty. Remiss in handling eBay access data confidentially, when the account for example is used to sell replica, can already be enough.

■ FOR EXAMPLE

If the wife of the owner of an eBay account infringes trademark rights while using his account, the husband and owner of the account is held liable, if he cannot prove that he has protected the access data confidentially (read: BGH GRUR 2009, 597 – Halzband)

6.3 Disturber

Under certain conditions the so called “disturber” “Störer” is to be held liable for being participator of an infringement or for not fulfilling his statutory audit.

This “disturbance liability” (liability as a secondary-liability party), has almost lost its meaning on decision of the Federal Court of Justice (BGH) decision in refer to “delinquent liability” for infringing rules of conduct (read above).

■ FOR EXAMPLE

In settled case law, the business manager of a limited liability corporation can also be a disturber and, thereby is made personally liable.

The major difference between this disturber and a violator of rules of conduct is, that the disturber solely is to be made liable to omission but not liable to compensation for damages

6.4 Liable as a secondary – liable party (liability for third party action)

One can also be made liable for third party action. For example in the field of competition law the factory owner can also be made liable for acts by his employees or his assignees. An assignee can be whoever is of use for the company and is able to use his influence on the factory owner (read in: BGH GRUR 2005, 864 – Meißner Dekor II)

7. Form of a cease-and-desist letter

A warning does not require a certain form. It can be either in writing as a letter, a fax or a mail, or even oral via phone. An oral warning is hard to be proven, especially referring to its contents, therefore warnings are almost exclusively in writing.

8. Formulating a cease-and-desist letter

A typical cease-and-desist letter has the following structure:

8.1 Presentation of the facts

The asserted infringement must be represented in detail in the presentation of the facts. He, who for example is accused to have infringed the law against unfair

competition (“Gesetz gegen den unlauteren Wettbewerb – UWG), must be shown exactly and explained in detail with which act he has done this. In case a trademark right was hurt, the warning party must explain in detail which sign on which product exactly infringes his trademark rights.

Further in the field of design law, there is the feature analysis which is favored under strategic consideration. In this, the designs’ uniqueness and its difference to known wealth of shapes, is put into words. Through this the sometimes contested originality of the alleged infringed design is contradicted.

8.2 Assessment

A legal assessment of the presentation is not necessary, but common. It is common to describe the presentation as infringement of trademark rights or unfair competition law. In general the specific paragraphs on behalf of which the warning party claims disclosure, omission, destruction, unjust enrichment and/or refund of charges, are cited (for example: §§ 14, 15 MarkenG, 3 ff, 12 Abs. 1 S. 2 UWG, 242 BGB, 97 Abs. 1 S. 1 UrhG.)

8.3 Appointment of a date (Deadline)

The deadlines for receipt of the cease-and-desist declaration generally are held very short. One reason for this is to set the warned party under pressure. The other reason, especially in the field of unfair competition law, is the necessity to keep the instancy in view. Instancy is a pre-condition for the order of an injunction. He, who waits longer than four weeks, after acknowledging the infringement, until he takes action for an injunction, can reckon on a refusal. This respite of instancy varies from Higher Regional Court to Higher Regional Court. As a figure of speech there is a north-south divide: Higher Regional Courts in the south of Germany decide that four weeks waiting patiently is harmful to the action. On the other hand the Hanseatic Higher Regional Court even accepts actions for an injunction after waiting patiently more than three months.

Deadlines diversify in the various fields. In the field of unfair competition law five to seven days are usual,

when trademark rights are infringed; seven days up to two weeks are usual. If the warning party appoints a deadline which is too short, this is not harmful for him, as it automatically implements a moderate deadline. But he, who takes legal measures after elapse of a too short deadline, takes the risk of losing the trial, if the warned party still signs the cease and desist declaration during the period of the moderate deadline. What is considered moderate depends on the individual case. As mentioned, seven days are generally enough in the field of unfair competition - and trademark law. In the field of design patents two weeks should be appropriate. When patent laws are supposedly infringed, four weeks can be seen as moderate, as the warned party needs more time to be able to certify the asserted infringement.

8.4 Attachment: pre-formulated cease and desist declaration

In general the cease-and-desist letter comes with the pre formulated cease-and-desist declaration as an attachment. But, this is not a must. The warning party can also request the warned party to create and sign a cease-and-desist declaration by himself. But, this hardly ever occurs. The warning party will always see to it, that he has the strategic advantage of his own pre-formulated cease and desist declaration.

You will find a sample of a cease-and-desist declaration concerning unfair competition law in the attachment. The colors used in the outline refer to the accordingly colored passages in the sample of the cease and desist declaration.

The pre-formulated cease and desist declaration shows the experienced practitioner, if the opposing lawyer has worked properly and, if he is a master of his trade or not. In this pre-formulated cease-and-desist declaration the warning party has to expound upon the infringing act in such a form, that it conforms to the application for issuance of an interim injunction. While the “infringing act”, meaning the presentation of the facts, is laid down in the cover letter of the cease and desist declaration, the type of infringement is what the warning party orders to desist in the future.

8.4.1 Cease-and-desist: The act of violation relative to infringement

The cease-and-desist declaration usually is the first pre-formulated obligation of the attachment. It is the act of violation relative to infringement. Herein the warning party must exactly declare which reputed infringing act he complains about. In the future, he can then only request the warned party to desist from these specifically declared acts.

To avoid so called “negative Feststellungsklage” negative application for a declaration, the warning party must limit his interdiction to such future acts, which are legally forbidden.

The injunctive relief is the most important demand for the warning party. Further it also is the most expensive demand, as to the high amount in controversy. There is no need of any self-fault, therefore the often heard plea: “I had no knowledge” is irrelevant.

Often the warning party composes the infringing act far too extensive with the intention to receive a far substantial injunctive relief via contract as he would have been entitled to by law. Reason for this is that in the future the warned party shall also pay contract penalty for acts not prohibited by law.

■ FOR EXAMPLE

He who offers mp3-files on Peer-to-Peer-file sharing networks, mostly in the cease-and-desist letter receives the order to omission to offer any of the warning party’s titles. Further he, who without permission offers industrial designs or registered trademarks, is ordered to omission to offer any of the warning party’s designs or registered trademarks. The warned party does not have to comply in such an extent. Neither has he in the first case offered all music titles of the warning party, nor in the second case has he offered all registered designs or trademarks owned by the warning party. The warned party must only omission specifically those acts he has unlawfully conducted. This applies for all signed cease and desist declarations, even in the light of the so called “Kernbereichsrechtsprechung” core area jurisdiction, which in general includes all similar acts.

He, who offers T-shirts on eBay which show a protected trademark, must not forego selling any textiles with that trademark, as this would also cover i.e. trousers, shirts and more. Furthermore, he must not forego to import the T-shirts, if he himself had not imported them before.

Should the warned party sign such a wide omission, this signed contract is then binding. Therefore it is the most important job of the warned party, to restrict the omission down to the exact conducted unlawful act.

Many of the pre-formulated cease and desist declarations imply a general transcription of the unlawful act, substantiated by the following “in particular”-part in which the exact and conducted unlawful act is laid down. Some German Higher Regional Courts judge the extended pre formulated versions, except for the “in particular”-part as to unassigned. Canceling the “in particular” part is a partly abandonment of action (read: OLG München BeckRS 2009, 23375).

It is also very common that the warning party solely repeats the legal text in its cease and desist declaration. This is only then applicable, when there is no other way to formulate the injunctive relief, so called: “gesetzeswiederholender Unterlassungsantrag” (legal text repetitive interim injunction).

In most cases the pre-formulated cease and desist declarations includes a far broader interdiction as which would have been guaranteed to the warning party by law. And it is obvious why this is done: Should the warned party sign the pre formulated cease and desist declaration he closes the omission contract in such form with the warning party. In case of a future violation by the warned party, it depends on whether the violation affects an act which the warned party obligated not to do. If this act was unlawful, then all is irrelevant.

Generally the warned party underestimates the extensiveness of his obligation to cease and desist. Jurisdiction solely extends the obligation to cease and desist beyond the precise case up to cases which are comparable in their core area (so called: Kernbereich).

Once signed, the warned party either loses sight, or suppresses the cease and desist declaration. Not so the warning party. New violations years later, are not seldom in practice.

HINT: He, who signed a cease-and-desist declaration, should immediately see to it, that the violating act is stopped. Should for example the warning party complain about a misleading advertising message on the warned party’s website, he should see to it, that also similar declarations are removed and omission for the future (Read: “Kernbereichsrechtsprechung” “core area jurisdiction” point 16. “What happens when you violate the cease-and-desist declaration”)

It is essential is to inform the employees, as the warned party is liable for their, the cease and desist declaration violating acts.

8.4.2 Necessary commitment to penalty clause

Usually, as a second obligation, the pre-formulated cease-and-desist declaration includes a penalty clause in case the warned party should violate the contract. Without such a penalty clause, the risk of recurrent infringement is not dispelled. Therefore he, who does not commit to pay a contract penalty, must reckon that legal measures e.g. a claim or an injunction will follow. Only in case of the so-called “Erstbegehungsgefahr” “risk of first infringement” there is no need to sign a penalty clause, it is enough, that the warned party desists the complaint compartment.

The pre-formulated penalty clause often includes the phrase: “unter Verzicht auf die Einwände des Forsetzungszusammenhangs” or something similar, meaning: “waiver of defense in refer to continuation of offense”. These sentences should always be deleted without replacement. To dispel the risk of recurrent infringement, there is no need, to sign a waiver of defense with reference to continuation of offense. On the contrary, if it is requested regularly, one can assume that legal right has been abused (read: BGH NJW 1993, 721 – Fortsetzungszusammenhang).

In a contract penalty suit, court in general unites similar offences to one or at least less than the ones claimed. In the aforementioned case, it is impossible for court to do

so. In one known case, court was only able to reduce the numerous contract penalties for reasons of equity. Court reduces from the amount of 53.680.000,00 € to the amount of 200.000,00 € (read: BGH GRUR 2009.181 – Kinderwäremekissen)

The amount of the contract penalty is meanwhile either a fix sum for each violation, mostly 5.001,00 € because of the amount in dispute and the accompanied jurisdiction, or the so called: “modifizierter Hamburger Brauch” “modified Hamburg tradition” meaning: for each offend, the offending party shall pay a fixed adequate contract penalty to the obligee, where in case of clash the adequacy shall be reviewed by the court having jurisdiction. But, court is not allowed to appoint the amount of the contract penalty, only to review the one set by the obligee (read: BGH GRUR 1978, 192 – Hamburger Brauch).

ATTENTION: He, who signs a contract penalty clause under “Hamburg tradition” must know, that the penalty amount increases with each violation.

8.4.3 Disclosure, accounting

a. Disclosure as preliminary action to claim damage

The third pre-formulated obligation typically affects the violators disclosure. This right on disclosure serves the preparation of claim for damages. In general the computation of claim by the one whose intellectual property rights were infringed, is done on the basis of license analogy or referring to the violators’ profit. For this he is dependent on the violators’ disclosure. The warning party must declare what exactly he demands from the violator, e.g. for which act and space of time he demands disclosure. Should he also demand reporting, he must specify which accounts shall be represented.

If the violated party only claims his own damage, disclosure must not be given as he can numeralize the damage himself.

The warning party cannot calculate the damage until the violator has not given disclosure. Both, claims for damages as well as claim for disclosure only exist when culpable infringement on the side of the warned party is to be on hand.

b. How detailed must disclosure be given

In general the violator has to give disclosure about all complained infringements. Also, since the Federal Supreme Courts’ decision “BGH GRUR 2007, 877 – Windsor Estate –“, from the first proved infringement on there exists no time limitation. (Read: BGH GRUR 2009, 852 – elektronischer Zolltarif). Further, the warned party must name all his suppliers as well as his industrial consumers. For the warning party this is evident as through this he can, for example in case of plagiarism, find the producer step by step. A further subsequent warning sent to the named suppliers helps the warning party to settle matters amicably.

In general the warned party must also lay all typical papers concerning his total revenue which have to do with the infringing products. How detailed this must be, depends on the specific case, in particular the kind of business company run by the violator. Other than the producer of a plagiarism, the distributor in general must not give information referring to the costs of production. Since October 1st 2009, he, who infringes industrial property rights in a commercial scale must also provide the infringed party with adequate bank – finance- and business documents. A “commercial scale” is to be existent when industrial property rights (trademarks, domains, registered designs, utility patent and patents) where infringed, as for any title in these cases, the commercial action is precondition.

Meant in particular are documents like statements of account, accounting records, contracts as well as all correspondence with the suppliers and customers, as far as these can provide evidence in refer to the claimed infringement.

HINT: In order to avoid that the warning party, which mostly is business rival, gets hold of the warned party’s customer list, the warned party can request an “auditor’s qualified opinion” (“Wirtschaftsprüfervorbehalt”).

c. What happens upon given false information?

Should the violator have given false information, the infringed party can claim new testimony. This time the violator must give a statutory declaration. Should

he give false statement again, it would be a criminal offense.

Since October 1st 2009, third party can be liable to disclose, so called: “Drittauskunft”. This means that, by infringement or after commencement of a suit, the following for example are liable to disclose: express agents, stock keepers or the operator of an online auction house.

8.4.4 Determination of damage

The next pre-formulated obligation usually is the liability for damages. Different to the strict liability injunctive relief, this obligation in principle presumes default by the violator. The warned party therefore must have acted deliberately or negligent. Exemption: there is no need of default, when the infringed party claims damage on the basis of license analogy. This is the case, as he can claim account of unjust enrichment in case of strict liability. Read more under: “Claim of unjust enrichment”

As the infringed party cannot numeralize the quantum of damages yet, as he is dependent on the disclosure to be given by the violator, in the above mentioned case he solely demands liability for damages on the merits.

After the warned party has given disclosure about the extensiveness of the infringement, the warning party, who claims infringement of industrial property rights (trademarks, registered designs, utility patent and patents) or a copyrighted right of use, can calculate his damage using three different ways: He can either demand account of profits, this is roughly what the warned party has earned through the infringement. Otherwise he can claim loss of profit, meaning what he would have earned without the infringing act by the violator.

In the field of intellectual property rights (trademark-, design-, domain-, patent- and copyright law) as well as the field unfair competition law-related performance protection, the most common calculation method is the license analogy. In this case one assumes the violator had licensed the infringed right. A fictitious license (sales license, quota license, fixed term license) is taken as a basis, and one pretends the violator was the infringed parties’ license co-contractor.

The advantage of using this calculation method is to be seen in the fact that the infringed party is not dependent on the, mostly not fully correct, information given by the violator. Also, this title does not require default (see below). In this case the unknowledgeable violator is liable and must pay the saved license fees.

8.4.5 Claim for unjust enrichment

Should the infringed party calculate his damage by using the license analogy, he can also demand his fictitious loss of license fees on the basis of unjust enrichment. Also here there is no need of default. The violator is enriched by the saved license fees, without legal cause (read: BGH GRUR 2001, 1156 – Der grüne Punkt).

8.4.6 Warning costs: attorney fees; patent attorney fees

a. Basic principle: cost reimbursement

In case the cease-and-desist letter was sent out with good cause the warned party must pay all attorney fees. Therefore usually the last pre formulated obligation is reimbursement of attorney fees.

HINT: This last obligation should always be erased for the simple reason that otherwise by signing the cease-and-desist declaration the warned party also signs a contract, where he obliges to pay the attorney fees.

Beware, it is easy to sue for this contractual claim as the warning party must only file the signed contract with a court. Court must not decide if the cease-and-desist letter was justifiable, the signed contract alone is enough so that the warned party will be condemned to pay the attorney fees.

In case the warned party erases the obligation to pay the attorney fees, the warning party normally is forced to sue at the defendant’s court of jurisdiction. In case of this so called (“kleiner Gebührenprozess”) “small fee-lawsuit” the warning party must submit to the court and adduce evidencereferring to the validity of the cease-and-desist letter. In view of the comparably low value in dispute cause of action is solely the attorney fee not the former amount in controversy as in the cease-and-desist letter - most attorneys will be open for negotiations

referring to the amount of fee. Such a “small fee-lawsuit” is hardly ever economically reasonable for the warning party.

In case of the so called (“Erstbegehungsgefahr”) “danger of first infringement” in general there are no warning costs to be paid. Other than in case of the so called (“Wiederholungsgefahr”) “danger of recurrent infringement” where, because of the already given infringement, a newly infringement is assumed until disproof is made. By “danger of first infringement” an infringement is still imminent. In those cases the warning party claims a preventive injunctive relief (vorbeugender Unterlassungsanspruch) that given courts decide diverse on the obligation to bear the warning costs. In any case he, who is enlisted for injunctive relief as an interferer and not violator, must not bear the warning costs in case of the first cease-and-desist letter (read: OLG HH ZUM-RD 2009, 317 – Mettenden).

Please note, the warning party can also claim restitution of attorney fees even though having an own legal department (read: BGH NJW 2008, 2651 – Abmahnkostenersatz).

He, who sends out a cease-and-desist letter himself not using an attorney, may not claim restitution of attorney fees, neither may this an attorney who sends out a cease-and-desist letter concerning an infringement of own right; For example violation of unfair competition law by infringing the legal service act.

b. Amount of fees / value of dispute

Mostly the amount of fees that shall be refunded leads to disagreement. Basically the amount of fee is calculated according to the German Lawyers’ Fees Act (RVG - Rechtsanwaltsvergütungsgesetz). There are different factors that must be taken into account: The amount in controversy, the estimated charge rate (attorney fee), the calculated VAT as well as the enlistment of a patent attorney.

To calculate the attorney fee the most important factor is the value in dispute. This is calculated considering the warning party’s interest of omission.

The following amounts in controversy are only for the (most expensive) case of interim injunction. The less expensive subsequent claims are only scheduled at a fraction of the interim injunction. Please note, the warning fee does not increase the value in dispute.

One can expect 25.000,00 € as a regular value in dispute in the field of unfair competition law. Attorney fees in this case, calculated by the 1,3 charge fee, would sum up to 911,80 € plus 19 % VAT. A smaller value in dispute can only be expected when the violator for example is a local competitor with a shop. Should the parties be international working companies, one can expect the value in dispute to arise up to 500.000,00 €. Concerning patent law, seldom the value of dispute is less than 250.000,00 €.

When copyrights are infringed the value of dispute diversifies. Court settles the value of dispute at around 10.000,00 € in cases where parts of a city map was used. The warning party, if not warning in the commercial field in so called “easy cases” “einfache Fälle” cannot demand more than 100,00 € warning fee. This is independent from any value of dispute. Note he, who offers the download of an album via peer-to-peer network cannot plead that an “easy case” is on hand. Courts appoint around 10.000,00 € in these cases.

He, who sends out marketing e-mails unsolicited (“Spams”), must reckon that the value of dispute starts near 3.000,00 €. In case of a business competitor sending out the cease-and-desist letter, the rules in refer to unfair competition law arise, therewith the referring value of dispute.

Further there is the charge rate in refer to the applicable expense charge which ranges between 1,3 and 1,5 according to the German Lawyers’ Fees Act (RVG). In the field of trademark law, courts (as: LG Frankfurt am Main) allow charges up to 2,0 when dealing with complicated and comprehensive cases.

If the warning party claims refund of sales tax, he must not be entitled to deduct input tax. Should the warning party have a sales tax identification number - mostly

to be found on his business documents or his website (e.g.: DE 212109457) – the warning party is entitled to deduct input tax and the claimed sales tax must not be refunded.

Should the warning party have called in a patent attorney, his pre-litigation costs are to be reimbursed as long as it was necessary to call him in. If the warning party had to call in a patent attorney to either research the registry or the use of the property right, the violator must reimburse these costs, even in the field of unfair competition law (read: OLG Frankfurt v. 12.10.2010, BeckRS 2010, 29045).

Federal Supreme Court has not yet decided if the patent attorney pre-litigation costs are to be reimbursed when it was not necessary to call him in; this decision remains to be seen. Until now, some higher regional courts reject the reimbursement (as: OLG Düsseldorf BeckRS 2008, 05681 and OLG Frankfurt GRUR-RR 2010, 127 – Vorgerichtliche Patentanwaltskosten). Other higher regional courts even grant reimbursement when not proven that it was necessary to call the patent attorney in (so: OLG HH GRUR-RR 2008, 370 – Pizza Flitzer; KG GRUR-RR 2010, 403 – Vorprozessuale Patentanwaltskosten).

Due to the fact, that trials in the field of intellectual property rights as well as Copyright law are very expensive, defense insurances hardly ever cover these cases.

8.5 Power of attorney (full power)

In general power of attorney should be enclosed in cease-and-desist letters. In fact there exist attorneys who warn on own account without being authorized. For a period of time some higher regional courts decided, that without an enclosed original power of attorney, the warned party could reject the cease-and-desist letter. Federal Supreme Court has meanwhile decided, that the fact, if a power of attorney is enclosed or not, has no impact on the validity (read: BGH GRUR 2010, 1120 – Vollmachtsnachweis). If there should arise any doubt about the authorization, one should ask for the power of attorney before signing the cease and desist declaration.

HINT: In case of a qualified warning without an enclosed power of attorney, when reasonable doubts arise, one should answer the attorney that one will sign the cease and desist as soon as presentation of authorization was made.

9. Enquiry/reference note to property right

There also exist so called “Berechtigungsanfrage” (authorization enquiry) or “Schutzrechtshinweis” (reference note to property right), these are no cease-and-desist letters. In these cases, the sender gives notice of his own right e.g. a patent right and discreetly asks the potential infringer, by means of an authorization enquiry, to submit comments by specifying the reasons for possible non-observance of the industrial property rights. An authorization enquiry for example is relevant for those, who are proprietor of a patent but are not yet sure about their legal position. Further it is relevant for those, who hold rights which are not registered yet or not finally reviewed, like the patent applicant who has not yet made request for examination, as well as proprietors of design- or utility patents.

The authorization enquiry at first is for information only. There is no cease-and-desist notice or a pre-formulated cease-and-desist declaration to be signed. In return, should the addressed party not have infringed the addressers rights, the sender does not have to dread a counter cease-and-desist letter, a negative action for a declaratory judgment or compensation for intervention into the furnished and practiced business. Read more in refer to actions when received an unjustified cease-and-desist letter: Following under: 14. “Strategies when received an unjustified cease-and-desist letter”.

10. Abuse of legal right – difficult to prove

It occurs, that cease-and-desist letters are sent out with the main intention to make money by reimbursement of the attorneys’ fees. In these cases the warning party and the attorney mostly have a share deal. Such a cease-and-desist letter is abuse of legal right. Equally abusive is,

when the warning party sends out the cease-and-desist letter with the main intention to damnify the warned party or when having “off topic motives”.

He, who warns and thereby abuses legal right has not only no entitlement but also loses his injunctive relief itself (read: BGH GRUR 2002, 357 – Missbräuchliche Mehrfachabmahnung). A subsequent claim therefor would be improper. Even in case of a justified warning, the following claim would be improper should one be able to prove, that the warning party mainly (not solely!) warned, to gain money e.g. through the attorney fees or warned with the intent to cause damage.

Unfortunately abuse of legal right can hardly ever be proved. The warned party in general will not have knowledge of the fee agreement between the warning party and the warning party's attorney. Therefore he will hardly know if they have agreed on a share or have appointed a contingency fee, which is not allowed in Germany and therefore is abuse of legal right. Jurisdiction however has developed a list of indications for abuse of legal right:

- W Abusive multiple prosecution: Either several injured are represented by the same attorney who concentrates his activities on one violator (read: BGH GRUR 2002, 357 – Missbräuchliche Mehrfachabmahnung) or one injured takes action against diverse violators and demands the total fee from each when he could have taken action against them as joinder of parties which would save fees (read: BGH GRUR 2006, 243- MEGA SALE).
- W When there is disaccord between the scale of business and the amount of cease-and-desist letters sent out (read: OLG Hamm BeckRS 2009, 19341). He, who runs a small shop and extensively sends out cease-and-desist letters concerning marginal violations of unfair competition, is to be seen as someone who abuses legal right.
- W Methodical claim of a lump-sum compensation for damage (read: OLG Hamm BeckRS 2009, 19341). Very common in file-sharing cases.
- W Abusive use of the so called “fliegender Gerichtsstand” “variable court of jurisdiction”. By systematically using the variable court to sue at remote courts to which the respondent has no relation to (read: OLG Hamm BeckRS 2009, 19341; KGMMR 2009, S. 69). The only reason for this is to enhance the costs on the respondents' side. When this occurs, it is also an indication for “Massenabmahnungen” “mass cease-and-desist letters” as by this method the masses of warnings are handled by various courts without attracting one courts attention to this method (read: OLG Hamm BeckRS 2010, 20192) as well as: LG Braunschweig GRUR-RR 2008, 214)
- W Numerous cease-and-desist letters: Some courts already assume abusive use when numerous cease-and-desist letters were sent out by the warning party (read: LG Braunschweig GRUR-RR 2008, 214; LG München I 33. Zivilkammer in GRUR –RR 2006,416- Media-Märkte). The Chamber for Commercial Matters in Munich holds a different view, (read: GRUR-RR 2006, 418 – Preissuchmaschine). Also the Higher Regional Court Frankfurt am Main is reluctant in these cases: in the case where 200 cease-and-desist letters were sent out by the warning party and where he earned more through warning costs than through sales, court still did not assume abusive use (read: OLG Frankfurt, GRUR-RR 2007, 56 – Sprechender Link).
- W Inflated values in dispute: below average infringements (Higher Regional Court Hamm sees abusive use when appointing inflated values in the following cases: duty to inform about cancellation terms and conditions were harmed, terms of guarantee were not elucidated; general terms and conditions enclose improper clauses which do not harm the warning party) (Read: OLG Hamm, BeckRS 2010, 20192).
- W The contract penalty is claimed independent of guiltiness (read: OLG Hamm, BeckRS 2010, 20192).
- W Illegal fee agreement between the warning party and his attorney; appointing a contingency fee, or

in cases where the warning party participates in the hereby gained attorney fees (read: KG Berlin, MMR 2008,742; KG Berlin BecksRS 2010, 19475)

- W Blood relationship between the warning party and the representing attorney (read: LG Bielefeld, BeckRS 2009, 0363)
- W The attorney fees are requested with particular insistence. The clause for refund of charges for example is highlighted, or the fees are requested to be paid short termed (read: OLG Hamm, BeckRS 2010, 20192).

All these examples are indications for abusive use, they also diverse in their importance for indication. In some cases more must concur than in one of the mentioned cases. For example in the above mentioned case of highlighted fees. Other cases are so profound, that an abusive use is to be seen as subscribed. Meant in particular is the Illegal fee agreement between the warning party and his attorney.

11. Signing the cease and desist declaration – outcome

11.1 Signing the unmodified version

Should one sign the unmodified cease and desist declaration the danger of recurrence is eliminated. When sending out the signed, unmodified version one concludes an omission contract. There is no need for a letter of acceptance from the warning parties' side.

11.2 Modifying the cease-and-desist declaration

It is recommended to modify the cease-and-desist declaration. When sending out a modified version, one must wait for the warning parties' letter of acceptance. In these cases the warning party must expressly accept the modified version, many warning parties forget that. Should the warning party forget to send the letter of acceptance it does not change anything about the abolition of the danger of recurrence, but there was no omission contract concluded, so in case of a further infringement the warning party will not be able to demand a contract penalty.

There is one exception. In cases of the so called "aufgedrängte Drittunterwerfung" "imposed third party subjection". In this case the cease-and-desist declaration is not sent out to the warning party itself, but to a third party, for example a competition alliance. In this case third party must accept in form of a letter of acceptance, otherwise there is no elimination of the danger of recurrence (read: OLG Frankfurt, BeckRS 2008, 23175).

For example, a modification is to be seen in the change of the quantum of the contract penalty to a adequate contract penalty as well as the limitation of the reputed infringing act to the exact act of violation. An adequate contract penalty e.g. is the amount of 5.001,00 € This number is mostly chosen as from the amount of 5.000,00 € on the case is the competence of the Regional Court, which are assumed to be more competent in these cases as a local district court.

11.3 Hardly known: effect on third party

Once the cease and desist declaration is signed, it also eliminates the risk of reputed infringing acts towards other complainants when concerning the same infringing act. He, who receives a cease-and-desist letter from a new complainant, after already having signed a cease and desist for the same infringing act towards a different complainant, should inform the new complainant about this. Even though the risk of reputed infringement is eliminated, when not reacting and not informing the new complainant, the warned party must pay compensation for damages, meaning the following law suit costs.

12. "Valid time" of the signed cease-and-desist declaration

You often find false information given in the internet. It is asserted, that the cease and desist declaration is binding for 30 years. In truth, the cease and desist contract is eternal. It can even be binding for the legal successor when he continues the business (read: OLG Hamm NJW-RR 1995, 608).

As soon as the warned party signs and sends out the unmodified cease-and-desist declaration or as soon as

the warning party accepts the modified cease-and-desist declaration, an omission contract was concluded.

In refer to the always mentioned 30-year period, this period runs for executory titles when an injunction was secured before court. This has nothing to do with the omission contract settled between the parties. In the above mentioned case, either the warned party did not sign a cease and desist declaration, or he has violated the omission contract and not signed a new cease and desist declaration demanding a higher contract penalty. Read more under 16 “What happens when you violate the cease-and-desist declaration”.

13. Terminating the (omission contract) cease and desist declaration – Difficult action

There hardly is any possibility to cancel the omission contract. There are only two exemptions where termination is possible. Either an alteration of legal status, or an avoidance of the omission contract. Should the legal status change, there is the possibility to challenge the omission contract, as the foundation of the contract is faulty. This hardly ever occurs.

More promising is the rescission because of willful deceit. Should the warning party have deceived the warned party about legal status or facts, the warned party can appeal against the declaration of intent.

14. Receiving an unjustified cease-and-desist letter

14.1 Ignoring the cease-and-desist letter

In some cases it is not such a bad idea to ignore the cease-and-desist letter and force the warning party to go to court. Especially within the range of a highly competitive branch of trade it is often the case, that the warning party, who holds a signed cease-and-desist declaration, claims penalty constantly by pushing the envelope. The warning party uses the maxim of the core area to bleed the warned party (read: 16: “What happens when you violate the cease and desist declaration”).

This is extremely risky when signed a cease and desist under so called “Hamburger Brauch” (read more under: “8.4.2. Necessary commitment to penalty clause”). In this case, the amount of contract penalty increases every time and can easily ruin the warned party financially.

So if there is the risk of infringing the omission contract e.g. because violation of unfair competition law in similar form are possible, one should await an adjudication. In case of a further violation, the warning party must proceed with the enforcement on basis of the judgment. This is uninviting. The warning party in this case does not receive a penalty payment. Court will impose a fine and this is to be paid to the state.

Further, attorneys who will have to proceed when the preliminary injunction is violated will not be too motivated, as he hardly earns anything in this case. An attorney earns a fraction of what he would earn when proceeding on basis of an omission-contract violation. Be aware, also the fine increases with each new violation.

14.2 Pre-emptive brief

He, who was warned wrongly, has the opportunity to deposit a pre-emptive brief at the court where he assumes the warning party will take action for an injunction. In general this prevents the order of injunction without oral proceedings. Please note, the injunction is effective with order and also after the warned party filed an objection. Further, should court order injunction without hearing, the outcome of the further trial is preassigned as the judges are the same which have ordered the injunction in first place.

14.3 Negative action for a declaratory judgment

There also exists the possibility to file a negative action for a declaratory judgment. Here the warned party starts a counter attack. The court having jurisdiction, in this case the court of jurisdiction is the warned parties’, shall then decide that the warning parties asserted title does not exist. In this case, the warning party loses the case and must bear the court costs. Note, it is not necessary to firstly send out a counter cease-and-desist letter (read: 14.4. “Counter cease-and-desist letter”). The warned party can immediately sue at the court having jurisdiction, which is the warned parties’.

14.4 Counter cease-and-desist letter

With a counter cease-and-desist letter the warned party demands, that the warning party declares not to have the asserted rights. As mentioned, this is not needful before taking action for a declaratory judgment. Further, it is not useful, as only in very rare cases the warning party must bear the costs for the counter warning (read: BGH MMR 2004, 667 – Gegenabmahnung).

15. Strategy when received a justified cease-and-desist letter

Should the cease-and-desist letter be justified, the warned party should sign a modified cease-and-desist declaration (please read: 11.2. “Modifying the cease-and-desist declaration”) using the passage: “Ohne Anerkennung einer Rechtspflicht aber mit Rechtsbindungswillen” meaning: “without acceptance of a statutory duty but still legally binding”. The warned party declares to comply, but that he does not necessarily admits the claims. Using this sentence is inoffensive and it has no influence on the abolition of the danger of recurrence.

16. What happens when one violates the cease-and-desist declaration?

In case the warned party violates the cease-and-desist declaration, he has to pay the contract penalty. Further the danger of recurrence revives, which will only disappear when a new, higher contract penalty is appointed. Therefor the warned party may reckon that a new cease-and-desist letter comprising the higher contract penalty will arrive.

The contract penalty will only become due in case of default on side of the contract penalty recipient. The infringer therefor at least must have acted careless. There is no need of actual fault; the vicarious agents fault is enough.

It is subject to interpretation if the newly infringement is to be seen as violation of the omission contract. Interpretation of the omission contract is especially to be made under the light

of the already mentioned: “core area jurisdiction” (“Kernbereichsrechtsprechung”). Meaning: the omission contract does not only cover the exact violation mentioned, but all other violations of highly similar type. These are those which maintain the characteristic of the former violation. As rule of thumb one can keep in mind: All acts featuring the former acts degradation belong to the core area.

17. Six indications for a dubious cease-and-desist letter

In some cases one can immediately tell, that the cease-and-desist letter is based on false requirements. There are the following indications:

1. The warning party is owner of a small local shop, he has no commercial interest in the omission by the warned party. Here it is useful to check if it is a case of abuse of legal right.
2. The warning party’s attorney is mainly specialized on a totally different field of law. In these cases the attorney is mostly a friend of the warning party. Therefor it makes sense to check if the legal explanation and the cease and desist declaration are correct.
3. The asserted violating act is not verified or does not fit into the warned party’s business field. The date of violation is not mentioned. It is asserted that the warned party has violated unfair competition law through his online shop, even though the warned party does not have an online shop. In these cases you can be sure that you are dealing with a mass cease-and-desist letter which has been hastily modified and therefor hardly ever has correct facts or requirements.
4. If you can only find local district court decisions and original jurisdiction in the warning letter it is an indication for no prevailing case law. The warning party chooses minority opinion in his favor and does not show that higher courts have decided differently.

5. A fixed time limit is extended more than once. He, who is certain about his legal position in general does not extend time limits more than once.
6. The warning party sends out an abstract of legal dispute or an abstract for action for an injunction after having sent out the cease-and-desist letter. This indicates, that the warning party is not sure of its legal position, if it was, there would be no time to loose and the legal actions would follow without them shown to the warned party in advance.

The more indications appear, the more you can be sure of the fact that the asserted requirements do not exist at all or at least not in the mentioned breadth.

18. Typical cease-and-desist declarations in the field of trademark- and unfair competition law

Attached you will find two typical pre-formulated cease-and-desist declarations belonging to a cease-and-desist letter. These are held in German language, as that would be the form in which you receive them.

IMPORTANT

The annex holds examples of two pre-worded examples. These examples are not useful for those who themselves want to send out a cease-and-desist letter, as they include passages which would be objectionable.

The clauses are elucidated in detail. Colored support is given as a guide: Clauses and the pretext are supported in according color. Meaning, each clause is highlighted in the same color as its corresponding exemplified text.

The first cease-and-desist letter is dealing with a denigration of the warning party's goods by the warned party's business manager himself. Therefore, the limited liability corporation and the business manager where enlisted.

If the infringing statement would have been made by e.g. an employee, the business manager would have only been liable if he had violated his legal duty in refer to unfair competition regulations. Otherwise, he is only interferer

where the warning party can only demand that he signs a cease-and-desist declaration without a contract penalty.

The second example shows a cease-and-desist letter in the textile sector, when unlawful labeled textiles where sent out. Shown is the "modifizierter Hamburger Brauch" ("modified Hamburg practice"). When the violator infringed the omission contract, the violated party appoints the contract penalty, which in case is reviewed by the court having jurisdiction.

PLEASE NOTE:

Court having jurisdiction is the court where the warned party has his business. When using the "Hamburg practice", you often find a clause in the cease and desist declaration where jurisdiction shall be the warning party's court. Do not accept this passage. In the second example this sentence is built in like this:

*"(..) eine von der Gläubigerin zu bestimmende **und von dem Landgericht Frankfurt am Main im Streitfall auf deren Angemessenheit hin zu überprüfende** (...)*

If the cease and desist declaration would be signed including this sentence, Frankfurt am Main would then be court having jurisdiction, independent of the warned party's registered business address.

Typical pre-formulated cease-and-desist declarations in the field of unfair competition law

1. Firma ... GmbH (*Company*)

2. Herrn Geschäftsführer ... (*Business Manager*)
- „SCHULDNER“ - (*DEPTOR*)

verpflichten sich gegenüber der (*undertakes*)

Firma ... (*Company*)
- „GLÄUBIGERIN“ - (*OBLIGEE*)

1. es voneinander unabhängig jeweils als geschäftliche Handlung zu unterlassen, gegenüber Dritten zu behaupten, die Gläubigerin würde [Unwahre Tatsachenbehauptung] wenn es geschieht wie am [Datum] gegenüber Herrn ... geschehen;

(1. To independently omit any business act towards third party concerning false statement of fact in refer to the obligee, as made on (Date) towards Mr.)

2. jeweils voneinander unabhängig für jeden Fall der zukünftigen Zuwiderhandlung gegen die unter Ziff. 1 beschriebenen Handlung unter Ausschluss der Grundsätze des Fortsetzungszusammenhangs eine Vertragsstrafe von € 10.000,00 (in Worten: zehntausend Euro) an die Gläubigerin zu bezahlen und

(2. Independently, in each case, for every future violation of the described act under Point 1 under waiver of defense in refer to continuation of offense, to pay a penalty amount of 10.000,00 € to the obligee.)

3. gesamtschuldnerisch gegenüber der Gläubigerin Auskunft zu erteilen über den Umfang der unter Ziff. 1 beschriebenen Verletzungshandlung;

(3. To give disclosure about the breadth of violation, joint and several, towards the obligee referring to the infringing act described under Point 1.)

4. gesamtschuldnerisch der Gläubigerin jeden Schaden zu ersetzen, der dieser durch die unter Ziff. 1 beschriebenen Verletzungshandlung entstanden ist oder noch entstehen wird;

(4. To compensate every resulting and future damage, joint and several, which has occurred by the infringing act described under Point 1)

5. die Kosten, die durch die Inanspruchnahme der Rechtsanwälte ... entstanden sind, nach Maßgabe einer 1,5 -Gebühr gemäß VV 2300 zuzüglich Auslagen aus einem Gegenstandswert von € 100.000,00 zu tragen.

(5. To bear the costs which have arisen by demands of the Attorneys..... under requirement of a 1,5 charge referring to the German Lawyers' Fees Act referring to a value in dispute of 100.000,00 €.)

[Ort], den (*City*) _____

1. _____
(Firma ... GmbH) (*Company*)

2. _____
(Geschäftsführer) (*Managing Director*)

Typical pre-formulated cease-and-desist declarations in the field of trademark law

Firma ... GmbH (*Company*)

- "SCHULDNERIN" - (*DEPTOR*)

verpflichtet sich gegenüber der (*undertakes*)

Firma ... (*Company*)

- „GLÄUBIGERIN“ - (*OBLIGEE*)

1. es im geschäftlichen Verkehr zu unterlassen, Textilien anzubieten, einzuführen, in Verkehr zu bringen oder zu den genannten Zwecken zu besitzen, die mir der Bezeichnung „AWESOME“ gekennzeichnet sind, sofern diese Textilien nicht mit Zustimmung der ... GmbH in die Europäische Union oder in einen Vertragsstaat des Abkommens über den Europäischen Wirtschaftsraum in Verkehr gebracht worden sind, insbesondere wenn es sich um T-Shirts handelt, wie in der nachfolgenden Darstellung widergegeben [es folgt eine Abbildung eines T-Shirts mit der Aufschrift „AWESOME“]

(1. To, in the course of business, refrain from offering, importing or market textiles, or to possess them for the mentioned actions, which are marked with the inscription: „AWESOME“, as far as these textiles are not brought into the European Unions' market or a contracting state of the Treaty on the European Economic Area, with affirmation of theGmbH, especially concerning T-Shirts as shown in the following)

2. für jeden Fall der zukünftigen Zuwiderhandlung gegen die unter Ziff. 1 beschriebenen Handlung eine von der Gläubigerin zu bestimmende und von dem Landgericht Frankfurt am Main im Streitfall auf deren Angemessenheit hin zu überprüfenden Vertragsstrafe an die Gläubigerin zu bezahlen und

(2. In each case, for every future violation of the described act under Point 1, the offending party shall pay a by the oblige to be named adequate contract penalty to the obligee, where in case of clash the adequacy shall be reviewed by the Regional Court of Frankfurt am Main and..)

3. gegenüber der Gläubigerin Auskunft zu erteilen über Herkunft und Vertriebsweg der widerrechtlich gekennzeichneten Textilien über

(3. To give disclosure on origin and chain of distribution referring to all of the unlawful marked Textiles concerning)

Name und Anschrift des Herstellers, des Lieferanten und anderer Vorbesitzer;

(Name and address of the producer, the supplier and other previous owners;)

Name und Anschrift der gewerblichen Abnehmer und Verkaufsstellen, für die die Ware bestimmt war;

(Name and address of the commercial customer and shops, for which the products was mentioned;)

die Anzahl der angebotenen, eingeführten, in Verkehr gebrachten Textilien, deren Einkaufs- und Verkaufspreise und der Gestehungskosten;

(the number of offered, imported and marketed textiles as well as their cost- and market price and initial costs;)

die erzielten Nettoerlöse und den erzielten Gewinn

(the earned net yield and profit made)

und zwar durch Vorlage von

(and this by submission of..)

Kopien der Rechnungen und Lieferschein der Lieferanten und der gewerblichen Abnehmer und von Kopien von geeigneten Bank-, und Finanzunterlagen;

(Copies of bills, delivery slips of suppliers and commercial customers as well as adequate copies of bank- and finance statements)

4. der Gläubigerin jeden Schaden zu ersetzen, der dieser durch die unter Ziff. 1 beschriebenen Verletzungshandlung entstanden ist oder noch entstehen wird;

(4. To compensate every resulting and future damage, which has occurred by the infringing act described under Point 1)

5. die Kosten, die durch die Inanspruchnahme der Rechtsanwälte ... entstanden sind, nach Maßgabe einer 1,5 -Gebühr gemäß VV 2300 zuzüglich Auslagen aus einem Gegenstandswert von € 100.000,00 zu tragen.

(5. To bear the costs which have arisen by demands of the Attorneys..... under requirement of a 1,5 charge referring to the German Lawyers' Fees Act referring to a value in dispute of 100.000,00 €.)

6. Alle widerrechtlich gekennzeichneten Textilien unverzüglich zurückzurufen und bis spätestens - eingehend bei den Unterzeichnern – den Rückruf in geeigneter Form nachzuweisen;

(6. To immediately recall all unlawful marked textiles and to prove recall in due form to the obligee until...)

7. Alle noch im Besitz der Schuldnerin befindenden Textilien gemäß Ziff. 1 und solche Textilien, deren Besitz sie durch den Rückruf wieder erlangt hat, unverzüglich zu vernichten und dies der Gläubigerin nachzuweisen;

(7. To immediately destroy all under point 1 mentioned textiles which are still, or by recall again, in the holding of the debtor, and to immediately prove the destruction in due form to the obligee.)

[Ort], den *(City)* _____

(Schuldner/-in) *(obligee)*



Imprint

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