

Copy

[Coat of Arms,
Lower Saxony]

Landgericht Braunschweig

[translator's commentary: Regional Court
Braunschweig, Germany]

Judgment delivered on:

24.09.2010

Reference No.:
9 O 319/10

Sende, Justizfachangestellte [translator's
commentary: judicial clerk, rank in the administration of
the German court system]
as registrar of the court registry (m/f)

On Behalf of the People!

Judgement

received 01 Oct 2010 Rechtsanwalt Munderloh [translator's commentary: German lawyer]

In the Litigation

The company Forest Stewardship Council AC Col. Centro,
Calle Margarita Maza de Juárez Nr. 422, 68000 Oaxaca, Mexiko,

Claimant

Legal representatives: Rechtsanw. Pauly & Partner, Kurt-Schumacher-Str. 16,
53113 Bonn, Germany,
Reference Number: so-ka 371/09

and

the company Eurobinia represented by Gerriet Harms, Einsteinstraße 17, 26133
Oldenburg, Germany,

Defendant

Legal Representative: Rechtsanw. Rainer Munderloh, Gottorpstr. 6,
26122 Oldenburg, Germany,
Reference Number: 173/09yr

for omission, information and damages due to infringement of the UWG [translator's
commentary: German Unfair Competition Law] and Trademark Law

the 9th civil division of the Regional Court Braunschweig on the oral proceedings
on 01.09.2010 by

the presiding judge at the Regional Court Dr. Meyer,
the judge at the Regional Court Madorski and
the judge at the Regional Court

has ruled that:

1. The application is being dismissed.
2. The legal costs of the litigation are to be borne by the Claimant.
3. The judgement is provisionally enforceable against a provision of security in the amount of 110% of the amount enforceable.
4. The value of the matter in dispute is being determined at the highest value of EUR 50,000.

Statement of Facts

The claimant claims against the defendant claims for omission, information and determination of the liability for damages from infringement of trademark and infringement of the UWG.

The claimant is the owner of the European registered word and design mark 002974905 "FSC" for amongst others products made from wood, which is comprising from a stylised tree with a tick and the letters "FSC" (see also the graphical reproduction of the mark in attachment K 2).

The Claimant has established binding principles and criteria for a good forestation under an equivalent consideration of social, ecological and economical aspects. The trademark is awarded as a certificate to timber processing and timber distributing companies and confirms the compliance with the established principles and criteria. The certified companies are entitled to brand their products with the trademark of the Claimant.

The Defendant carries on a timber trade under the trading name Eurobinia. His business is not certified appropriately by the claimant. The Defendant runs miscellaneous websites (www.eurobinia.de, www.eurobinia.net, www.robinie.de and www.robinie.net) on which he advertises his products. On each of the webpages there is a link, which shows the trademark of the Claimant in a ring-shaped geometric figure with a diagonally running line (similar to the [German] traffic sign of the limited stopping restriction) and the text "BETTER WITHOUT" and which leads to the webpage wwwv.fragen-an-den-fsc.de. On the other hand there is a link on the

webpage www.fragen-an-den-fsc.de to the webpages of the Defendant.

The webpage www.fragen-an-den-fsc.de shows four times the image elements of the mark of the Claimant together with a question mark in comic like speech bubbles whose backgrounds show forest landscapes subject to a complete deforestation (for the graphical description see also Attachment K7). The page offers the possibility to download a flyer (K1 in English, K4 in German). The flyer bears the heading "eurobinia: Gutes Holz aus transparenter Produktion" [good timber from transparent production], the subheading "Warum unsere Robinienprodukte nicht FSC zertifiziert sind" [why our products made from robinia are not FSC-certified] as well as the word and design mark "eurobinia" of the Defendant and the trademark of the Claimant within a limited prohibition sign. Relating to the contents the flyers deals with the gaps of the certification system using examples of certified companies not following the FSC-directives and promotes robinia hardwood as an alternative. According to Denic-Information the owner of the webpage www.fragen-an-den-fsc.de is the Defendant registered in person under the postal address of his company.

The Claimant makes the following applications:

1. The Defendant is sentenced by the threat of a fine determined by the court for up to 250,000.00 or as a substitute arrest for disobedience to court orders for up to 6 months for each case of violation to omit,
 - a) in the course of trade the usage of the distinctive features reproduced below





to promote his products and services distributed under the trademark "Eurobinia" on his webpage www.fragen-an-den-fsc.de under the sign



and by installing a link to his other webpages www.eurobinia.de, www.eurobinia.net, www.robinie.de or www.robinie.net as well as

- c) on the webpages www.eurobinia.de, www.eurobinia.net, www.robinie.de or www.robinie.net under the sign



to create a link to the webpage www.fragen-an-den-fsc.de, also operated by the Defendant, and to promote his products and

services distributed under the business designation "Eurobinia" with it.

2. The Defendant is sentenced to give information to the Claimant to which extent, in which circulation and with which distributor he distributed respectively distributes the flyer, annexed as **attachment K1**, which he offers in German and English language as a download on his webpages.
3. It is established that the Defendant is obliged to compensate the Claimant for the damage which occurred or will occur to them from the actions in the manner described in paragraph 1.

And the Defendant claims

to dismiss the action.

Ratio Decidendi

A.

The action is admissible, in particular the procedural prerequisites are given.

The legal existence and by means of that the capacity to be a party to legal proceedings of each of the parties involved in the litigation - as well as the legal authorisation of the legal representative - is one of the procedural prerequisites whose shortcoming the court has to take into consideration officially at each stage of the proceedings according to s. 56 subs. 1 ZPO [translator's commentary: German Code of Civil Procedure] (BGHZ 134, 116, 118). [translator's commentary: Decision of the Highest German Civil Court, the Bundesgerichtshof, decision as cited in the official collection of decisions.]

However, s. 56 subs. 1 ZPO does not oblige the courts to undertake an official comprehensive review of all procedural prerequisites mentioned in the rule. The

Bundesgerichtshof has decided on the procedural prerequisite of the legal capacity to be a party to legal proceedings that in general its existence has to be assumed and their review is only necessary if sufficient indications for the possible non-existence of the capability to be a party to legal proceedings may be given (BGHZ 159, 94, 104 with reference to BGHZ 86, 184, 189). This applies accordingly for the procedural prerequisite of the legal authorisation of the legal representative and the proper authorisation of the lawyer within the international litigation.

Therefore, a review was not advisable here. The division does not entertain any doubts on the existence of the Claimant. The Claimant as a legal entity has been registered as the owner of the trademark "FSC" by the European Patent and Trademark Office. Likewise, there is no indication for the lack of the legal authorisation of the legal representative. After all, the original of the power of attorney (submitted in copy as attachment K 11) was presented in the hearing on 01.09.2010 for examination.

B.

I.

Claims of the Claimant against the Defendant falling under Competition Law do not exist.

1.

The Claimant cannot base the claims lodged by them on s. 6 subs. 2 No. 5 UWG.

The use of the Claimant's sign with a prohibition sign as well in the Defendant's flyer as on his webpages has to be regarded as comparative advertising pursuant to s. 6 subs. 1 UWG. This applies as well to the reproduction of the image element "tree" with question mark in front of areas subject to a complete deforestation. The provision of s. 6 UWG is used for the implementation of the directive 84/450/EEC on misleading and comparative advertising (ABl. No. L 250 of 19.9.1984, p. 17), which was codified by the directive 2006/114/EC on misleading and comparative advertising (ABl. No. L 376 of 27.12.2006, p. 21) and therefore shall be interpreted in accordance with the directive and with a view to the jurisdiction of the Court of

Justice of the European Communities.

Advertising pursuant to s. 6 subs. 1 UWG is any statement in pursuance of trade, business, small trade or liberal profession with the aim to promote the redistribution of goods or the provision of services including immovable properties, rights and obligations (Article 2 No. 1 of the directive 84/450/EEC; Article 2 lit. a of the directive 2006/114/EC). All forms of utilisation being objected indicate that there is a better alternative for the promotion of a good forestation than to buy wooden products certified by the Claimant. The meaning of the worldwide known prohibition sign is understood instantaneously. The English text "BETTER WITHOUT" is comprehensible for the German reference group and emphasises the meaningfulness of the prohibition sign. Furthermore, the image element "tree" with an added question mark of the Claimant's trademark in front of areas subject to a complete deforestation expresses the message clearly. All kinds of utilisation are directly related to the statements why the products made from robinia are without a certificate of the FSC but are nonetheless offered with a good conscience. They aim to promote the redistribution of the timber distributed by the Defendant and therefore are advertising pursuant to this provision.

According to s. 6 subs. 1 UWG comparative advertising is any advertising which makes directly or indirectly a competitor or the products or services offered by a competitor identifiable (Article 2 No. 2a of the directive 84/450/EEC; Article 2 lit. c of the directive 2006/114/EC). The concept of comparative advertising has to be understood in a wide sense as it shall include all kind of comparative advertising. Therefore, comparative advertising is already given if a statement - even if only indirectly - is referring to a competitor or the products offered by him (established body of case law; see also BGH decision dated 01.10.2009 - I ZR 134/07 = GRUR 2010, 161-166 - 'Gib mal Zeitung'). [translator's commentary: GRUR: Journal of the Association of Persons working in the field of commercial legal protection]

[SIC = Translator's commentary: the next sentence is grammatically and syntactically wrong in the original and was not translatable in its original wording. Therefore, the translator corrected this with regard to the previous and following context for a better understanding. The translation should therefore be only used for simple information purposes and NOT for interpretation.] The defendant uses in his flyer and on his

webpages a sign which is corresponding to the Claimant's trademark in a red ring-shaped figure with a diagonal line running from bottom left to the upper right cutting the ring-shaped figure similar to a sign for a 'limited no stopping'. Likewise, in the flyer he refers explicitly to the trademark of the Claimant, awarded as a FSC-certificate, as well. On the page www.fragen-an-den-fsc.de he reproduces the image element "tree" of the Claimant's trademark and names the name "FSC" in direct relationship to it. Thereby, he refers indirectly to all competitors which offer timber certified by the FSC.

This comparative advertising is according to s. 6 subs. 2 No. 5 UWG - contrary to the Claimant's opinion - not dishonest. According to this provision, someone performing comparative advertising is acting dishonest if the comparison is degrading or disparaging the products, services or personal or business circumstances of a competitor (Article 3a sub-article. 1 lit. e of the directive 84/450/EEC; Article 4 lit. d of the directive 2006/114/EEC).

A comparison within the meaning of this provision is existing if the advertiser is creating a relation between (at least) two competitors, between their products or services respectively between their activities or other circumstances in a way which is recognisable for the marketplace (see also: BGH decision dated 01.10.2009 - I ZR 134/07 = GRUR 2010, 161-166 - 'Gib mal Zeitung'). The use of the Claimant's sign gives to the mentioned marketplace the impression that the trademark of the Claimant granted as a certificate just is not a guarantee for ecological and socially responsible forestry whereas the Defendant's products made from robinia are standing for a responsible use of the forests. This becomes not only clear with the design as a prohibition sign together with the explicit supplement "BETTER WITHOUT". The placement of the image element "tree" together with the question mark in front of areas subject to a complete deforestation is particularly expressive. In the proper meaning of the word the Claimant's certification practice is being questioned.

This comparison is not degrading the FSC-certified companies and the Claimant pursuant to s. 6 subs. 2 No. 5 UWG in a dishonest manner.

A degrading pursuant to s. 6 subs. 2 No. 5 UWG requires more than a confrontation

of the advantages and disadvantages of the compared products immanent to a critical advertising comparison. It is necessary to determine whether the challenged advertising message is still within the boundaries of an objective discussion or whether this is already a general degrading of the third party products. Therefore, a comparison is degrading pursuant to s. 6 subs. 2 No. 5 UWG only if there are additional special circumstances met up to the (negative) effects to each advertising comparison, which let it appear as inadequately degrading or biased (so literally the BGH decision dated 01.10.2009 -1 ZR 134/07 = GRUR 2010, 161-166 Gib mal Zeitung).

For the judgment on the permissibility of an advertising comparison it has to be focused on the assumed understanding of a reasonably-well informed, mindful and informed average consumer (BGH GRUR 2002, 982, 984 - DIE "STEINZEIT IST VORBEI !).

In this connection the challenged statements have to be seen in their overall context and must not be considered in an isolated manner (BGH WRP 2008, 666, Subparagraph 18 - Saugeinlagen). It is of importance whether the statement is necessary or useful for the rightful purpose of the comparison (notification of the consumer on the advantages of the own supply and therefore the improvement of the market transparency) or whether a less incisive statement would have been sufficient. The allegation of wrong and damaging facts is always dishonest; the allegation of true facts which are damaging to the competitor or his competitiveness is dishonest if in a complete critical appraisal it does not provide useful information to the decision on the request of the consumer and therefore influences him in an inadequate manner based on facts (Köhler in Hefermehl/Köhler/Bornkamp UWG 280. ed. 2010, s. 6 para 170, 171).

This is not the case here. In his flyer the Defendant shows by means of examples that companies with a FSC-certificate are not complying with the conditions for an ecologically responsible forest management established by the Claimant. The described cases of abuse have not been denied by the Claimant. Therefore, in this litigation it as to be assumed that the FSC-certificate is in fact no guarantee that the products labelled with it are originating from sustainable and lawful forest management. In this context it is an objective criteria for the conservation -conscious

consumer for the choice of timber. The striking through of the Claimant's trademark used as a certificate is for the purpose of information for the consumer to whom the Claimant's trademark comes into the mind to a greater degree rather than the word component of its own. The addition of the prohibition sign is already a dealing with the topic of the Claimant's system of certification. This applies all the more for the drastic placement of the image element "tree" together with the question mark in front of areas subject to a complete deforestation. As well with regard to the circumstance that the Defendant's flyer contains a statement of opinion protected by Article 5 sub-article 1 clause 1 GG [translator's commentary: German Constitutional Law], Article 10 sub-article 1 clause 1 EHRC - this cannot be assumed as a dishonest degrading of the Claimant pursuant to s. 6 subs. 2 No. 5 UWG.

2.

Even from s. 6 subs. 2 No. 3 UWG the Claimant is not entitled to the claims lodged. According to this [provision] a comparison is dishonest if it results in a danger of confusion in the marketplace between the advertiser and a competitor or between the products or services offered by them or the distinctive features used.

The term danger of confusion under Competition Law corresponds to the one in Trademark Law (ECJ, GRUR 2008, 698 subparagraph 59 - O2 und O2(UK) / H3G). The main function of a trademark is to guarantee the marketplace the original identity of the products labelled by the trademark by enabling it [the marketplace] to distinguish these products or services without any danger of confusion from products or services of other origin. Rights belonging to the owner of the trademark shall ensure that the trademark can fulfil its purpose. Therefore, they are limited to those cases in which the utilisation of the sign by a third party is impairing or after all might impair the fulfilling of the purpose of the trademark and in particular its main purpose, i.e. the warranty on the origin of the product towards the consumer (see also: BGH WRP 2002,987 — Festspielhaus; BGH WRP 2002, 985 — Frühstücksdrink BGH GRUR 2005, 1045 — Dentale Abformasse).

Therefore, the danger of confusion pursuant to s. 6 No. 3 UWG is given, if the mentioned marketplaces might be deceived with regard to the origin of the products, hence when the mentioned marketplaces might think that the products and services

in question are originating from the same company or possibly from an affiliated company (established body of case law since ECJ GRUR 1998, 922, subparagraph 29 - Canon, Ingerl/Rohnke Markenrecht 3. ed. s. 14 subparagraph. 369). The existence of a danger of confusion has to be assessed in the light of all relevant circumstances on a case-to-case basis (established body of case law, BGH GRUR 2009, 484 (486)- Metrobus with further proofs).

With the insertion of the Claimant's trademark into an internationally known prohibition sign the Defendant makes it very clear that he is not a company certified by the Claimant and that his products are not originating from companies which are FSC-certified. He expresses concisely and in a vividly describing manner that his products made from robinia are of a different origin. This is even clarified by the supplement "BETTER WITHOUT" and the question mark expresses a critical, adverse attitude as well.

3.

Nor is the Defendant's comparing advertising infringing s. 6 subs. 2 No. 4 UWG. Someone, performing comparative advertising, is, according to this provision, acting dishonest if the comparison is exploiting or impairing the reputation of a sign used by another competitor in a dishonest manner.

The notice on the trademark of the products included in the comparison is necessary for a distinction of the compared products and an effective competition on the marketplace in question and does not constitute a dishonest utilisation or impairment of the reputation of the third party branded goods in itself (BGH GRUR 2010, 161-166 - Gib mal Zeitung). Rather, there must be additional circumstances outreaching the mere mentioning of the trademark in order to constitute the accusation of anti-competitive utilisation of reputation or reputation impairment (BGHZ 158, 26, 32 - Genealogie der Düfte). However, the accusation of an anti-competitive trademark dilution or reputation impairment pursuant to s. 6 subs. 2 Nr. 4 UWG is justified at any time if the conditions of a trademark dilution or reputation impairment contrary to trademark law pursuant to s. 14 subs. 2 Nr. 3 MarkenG [translator's commentary: MarkenG = German Trademark Act] are given.

The reputation of a sign is utilised in a dishonest manner if its use within the

framework of a comparative advertising in the mentioned marketplaces creates an association between the advertiser and the competitor in such a manner that this [association] transmits the reputation of the products of the competitor to the products of the advertiser (BGHZ 158, 26, 32 - Genealogie der Düfte).

The signs used by the Defendant differentiate the origin of the products compared with each other. Moreover, he does not describe positively the Claimant's practice of certification and the timber products of the companies licenced by it. Therefore, the signs do not transmit the reputation of the trademark "FSC" onto the Defendant's products.

The utilisations do not impair the reputation of the trademark "FSC" in an illegal manner. They do not degrade the FSC-certificate awarded by the Claimant - as explained under I 1. For the same reasons there is no impairment of the reputation of the trademark "FSC".

3.

Even from s. 4 No. 1, No. 8 or No. 10 UWG the Claimant is not entitled to the claims lodged.

According to this [provision] someone acts with dishonesty if he impairs the consumers' freedom of choice or other participants on the marketplace among other things by spreading other inappropriate, biased influence, assertions not proven to be true, negative facts about the products or the company of a competitor (defamation of a competitor's reputation) or the targeted hindering of a competitor.

All these conditions are not available. The very purpose of the utilisation of the sign in the manner used by the Defendant is to enable the consumer to make a uninfluenced and informed business decision on grounds of objective information. All this information is true. The usual, genuine degree of achieving an own competitive advantage is not being exceeded.

II.

Claims of the Claimant falling under Competition Law do not exist against the Defendant.

The Claimant cannot base the claims lodged by them on s. 14 subs. 2 No. 2 and 3 MarkenG. Although according to these provisions it is prohibited for third parties to make use of a sign identical or similar to a trademark without permission of the owner of that trademark under conditions specified. However the owner of a registered trademark is not entitled to prohibit the utilisation of a sign identical or similar to his own trademark in a comparative advertising by a third party, which - as it is the case here - is not infringing any of the prohibitory provisions mentioned in s. 6 subs. 2 UWG (so literally: BGH, judgment dated 01.1.2009 - ZR 134/07, GRUR 2010, 161 –Gib mal Zeitung with reference to ECJ GRUR 2008, 698 sub-clauses 45 and 51 - O2 Holdings/Hutchinson; GRUR 2009, 756 sub-clause 54 - L'Oréal/Bellure; see also BGHZ 158, 26, 37 - Genealogie der Düfte).

Here, in terms of trademark law the existence of a danger of confusion is even missing in itself. The concept of danger of confusion with regard to trademark law and competition law has to be interpreted in a homogeneous manner. The ECJ has interpreted in its decision dated 12.06.2008, Ref.-No. C-533/06 - O2 and O2(UK) / H3G (GRUR 2008. 698, sub-clause 45 and 51) the Art. 5 I and II of the directive 89/104 and Art. 3a I of the directive 84/450 in such a manner that the owner of a registered trademark is not entitled to prohibit a third party from the utilisation of an identical sign or a sign similar to it in a comparative advertising which is complying with all conditions for admissibility mentioned in Art. 3a I lit. d of the directive 84/450. At the same time it is impossible that the comparative advertising in which the sign is being used is complying with the condition for admissibility mentioned in Art. 3a I lit. d of the directive 84/450 amended by the directive 97/55/EC if the conditions for a prohibition of the utilisation of a sign identical to the registered trademark or similar to it are fulfilled according to Art. 5 1 lit. b of the directive 89/104.

III.

According to s. 19 MarkenG, s. 242 BGB [translator's commentary: Bürgerliches Gesetzbuch = German Civil Code], s. 14 subs. 6, 15 subs. 5 MarkenG, s. 9 UWG as well as s. 823 BGB the Claimant does not have the subsequent claims lodged for information and the determination of a liability for damages for a lack of facts of infringement.

C.

The court order as to costs ensue from s. 91 subs. 1 clause 1 ZPO. The judgment on the provisional enforceability is based on s. 709 clause 1 ZPO. The value of the matter in dispute had to be determined pursuant to s. 51 subs.1 GKG [translator's commentary: German Courts Fee Act], s. 3 ZPO on the basis of the realistic particulars by the Claimant to EUR 50,000.

Dr. Meyer

Madorski

Wölber

I hereby certify that this is a correct, truthful and complete translation of the German original presented to me.

Pontypool, 04.10.2010

(Dipl. Jur. Monika Elisabeth Sieger, PgDL, PgDLPC of England and Wales - Legal Translator)