

Herrn Erik Spiekermann
Motzstrasse 59

10777 Berlin

Corrections of Statements in matters of Berthold Types Limited

Dear Mr. Spiekermann,

I am contacting you in the name and on behalf of my client Berthold Types Limited, who recently became aware of your statements posted in the Typophile Forum "Design – Akzidenz Grotesk" on May 20, 2004. These statements were made to allegedly clarify facts in that discussion. Regrettably, your "factual clarifications" are erroneous in themselves. On behalf of my client the following are the actual facts.

In October 1991, the Type Assets (software, trademarks, design patents and other intellectual property related to the type business) of H. Berthold AG were separated from its other business assets by way of an assignment to a consortium of banks (lead bank being Berliner Bank). Berliner Bank, et. al, leased the Type Assets back to H. Berthold AG. The Type Assets were *not* part of the H. Berthold AG bankruptcy in 1993. Significantly, the arrangement between H. Berthold AG and Berliner Bank, et. al, permitted any subsequent successor and/or assignee of the Type Assets to continue the tradition of the H. Berthold AG type library.

Around this same time (the early 1990s), H. Berthold AG first compiled a digital typeface collection for publication in about 1993 in the PostScript format via the so-called

Diamond CD. Distribution was to occur primarily through the FontShop network, including FontShop Berlin. This CD included the Berthold Type Collection and as a special part thereof, the Berthold Exklusiv Collection i.e. the renown collection of typefaces especially designed for and owned by H. Berthold AG. At the time of publication of the Diamond CD, however, H. Berthold AG had already fallen into bankruptcy and the Type Assets were assigned from Berliner Bank, et. al, to Berthold Systeme GmbH who then actually published the Diamond CD. FontShop International devoted an entire “update” to its Fontbook (Update 2) solely to the Berthold typefaces. The Fontbook 2 included a list of all the Berthold trademarks registered for H. Berthold AG in Germany, and was used by the FontShop network to market the Diamond CD.

In 1996 Berthold Systeme GmbH went bankrupt and assigned, through its receiver, the Type Assets, to the partnership of Messrs. Freydank, Körbis, Pillich, and Talke (FKPT), who continued trading under the name The Berthold Type Collection and marketing the Diamond CD directly, and through the FontShop network.

Berthold Types Limited, Chicago, which company was expressly set up to continue the tradition of the Berthold Exklusiv Collection, in 1997 and 1998, respectively, acquired the worldwide rights to the Berthold Trademarks and the registered designs relating to the Berthold Exklusiv Collection from FKPT, whereas the rights to the software were acquired by its sister company Berthold LLC. The acquisition of the designs and trademarks was recognized by the German Patent and Trademark Office as well as by WIPO, which authorities recorded the assignments. In that regard, Berthold Types Limited acquired the Type Assets and thereby is also the legal successor to H. Berthold AG. Notably, unlike Berthold Systeme GmbH and FKPT, Berthold Types Limited was the only Berthold entity who cared and was able to record the chain of title, thereby publicly establishing its ownership of the Type Assets.

Berthold Types Limited did not simply “register” H. Berthold AG’s trademarks as you imply, but acquired already existing trademark registrations, amongst others about 80 trademarks in Germany, and numerous others in the United States and the United Kingdom including the names Berthold, H. Berthold, and the Berthold red square logo. As most of these trademarks and designs were about to lapse, Berthold Types Limited has

spent considerable money on payment of renewal fees for the trademarks to protect them from falling into the public domain. Other trademarks had already lapsed and thus had to be registered anew to retain the corresponding intellectual property rights.

Since 1997 Berthold Types Limited and Berthold LLC have, however, not only devoted considerable money and efforts to maintain Berthold's intellectual property rights, but also to continue the digital type business of H. Berthold AG and specifically the Berthold Exklusiv Collection. And, what apparently makes those typefaces famous is their quality and their name, i.e. the software and the trademarks. Berthold Types Limited's efforts have also focused on the software side in a continuing attempt to improve its quality. This apparently was the basis for Günter Gerhard Lange's decision to work with Berthold Types Limited – see page 6 of the Typomonatsblatter issue dedicated to Mr. Lange in 2003 in which Mr. Lange states when asked for the reason to stay with Berthold

“... There is no doubt in my mind that I will continue for the Berthold program as long as I am able to work and do not go somewhere else. Nothing else would make sense. I have had no bad experience with the new proprietor. Previously he has run an innovative layout and typesetting shop in Chicago, one of the few in the US offering the complete program of Berthold types and typesetting equipment, and where excellent practical work was delivered.”

After acquiring the remaining Type Assets (e.g. the trademarks, and remaining design rights of the Berthold Exklusiv Collection registered in Germany, and also obtaining via its sister the rights to the software from the previous Berthold Companies through FKPT), Berthold Types Limited offered contracts to the designers contributing to the Berthold Exklusiv Collection. Berthold entered into agreements with Messrs. Lange, Möllenstedt, Hofrichter, Nordling and Schneider. Others did not sign agreements. One such designer, Mr. Ganz – apparently backed by Linotype - went even so far as to sue Berthold Types Limited in Germany claiming rights to the trademarks of his typefaces Avantis and Evo as well as to the corresponding design rights and software. Mr. Ganz lost in the first instance with the Court, confirming Berthold Types Limited's rights in those two typefaces. The suit was settled in appeal proceedings, the settlement (with

Linotype and Mr. Ganz) also confirming Berthold Types Limited's rights to those two typefaces.

In addition, and you may not be aware of this, the original agreements of H. Berthold AG with the designers stated that, when the design fell into the public domain (typically after expiry of the design rights under the Vienna Convention or lapse due to non-payment of renewals) the obligation to pay remuneration to the designers would cease. In its standard agreement Berthold Types Ltd. had offered payment nonetheless. Notwithstanding, Hans Reichel apparently chose to present a new interpretation of his original typeface design "Barmeno".

It has been put forth before in the web forum that, differing from the situation before type software was developed, a type foundry nowadays has no other way to protect its typefaces from being stolen by a third party than to protect the typeface name (the trademark), its design (a design right) and, where applicable, the corresponding font software by a copyright. This is correct from a legal point of view. Like other type foundries such as Adobe, Agfa/Monotype and Linotype, Berthold Types Limited and its sister company Berthold LLC have defended these IP-rights in the past, for example by sending cease and desist letters to infringers of the same and, if this was not successful, by suing the respective parties.

In contrast to your statement only several, not dozens, of law suits were filed amongst others against FSI/FontShop (as you are aware). In most cases either a decision was reached on the merits (in favor of Berthold Types Limited), or the case was settled in the mutual interest of the parties. The latter should be familiar to you. Only one case was decided upon default of the parties. This was, however, after most of the parties appeared in court through their legal counsel.

We would kindly request you to defer from repeating your respective, erroneous statements in the future. Should you disagree with one of the above statements, we are open for a discussion of its merits.

Berthold with this letter does not waive any other options to defend its interest in the intellectual property rights to the Berthold Exklusiv Collection or to defend its company's name and reputation. Nevertheless, we hope that this letter will be sufficient to settle the matter.

Sincerely,

Dr. Susanne Teipel

cc: Mr. Harvey Hunt, Berthold Types Limited