

Yearbook

2017/2018

A global guide for practitioners

Switzerland

Meisser & Partners AG

Marco Bundi and Benedikt Schmidt

**World
Trademark
Review**

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Legal framework

National

The basic principles for trademark protection in Switzerland are contained in the Federal Act on the Protection of Trademarks and Indications of Source and the Trademark Protection Ordinance, both of which have been repeatedly revised. The legislation is largely in harmony with the former EU First Trademarks Directive (89/104/EEC); however, as Switzerland is not an EU member state, the EU trademark regime does not apply.

On June 21 2013 a revised law regarding ‘Swissness’ was passed by Parliament, providing better protection for “Made in Switzerland” and the Swiss cross and establishing a register of protected designations of origin and geographical indications for non-agricultural products, as well as a register for geographical marks and an administrative procedure for trademark cancellation due to non-use. The amendment entered into force on January 1 2017.

International

Switzerland has signed most pertinent international agreements, including:

- the Paris Convention for the Protection of Industrial Property;
- the Nice Agreement on the International Classification of Goods and Services;
- the Madrid Agreement on the International Registration of Marks;
- the Madrid Protocol;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- the Trademark Law Treaty.

A bilateral free trade agreement between Switzerland and China recently entered into force. This treaty contains a chapter dedicated to the protection of intellectual property.

Unregistered marks

Generally, trademark rights are established through entry in the trademark register (under Article 5 of the Trademark Act).

Well-known unregistered trademarks may enjoy protection under Article 6*bis* of the Paris Convention. The Federal Administrative Court has clarified that Swiss citizens and companies may invoke this protection only if they own a foreign trademark registration.

The use of unregistered signs may also be protected as follows:

- by the Federal Law against Unfair Competition 1986;
- as moral rights to a name;
- as foreign trade names under the Paris Convention;
- as geographical indications; and
- by copyright law.

The Trademark Act provides the right to continue using a sign if a third party subsequently registers an identical or similar mark.

Registered marks

Any natural or legal person from any country can apply for trademark registration in Switzerland. Under Article 42(1) of the Trademark Act, foreign applicants must indicate a Swiss correspondence address. The applicant need not submit evidence of its existence (eg, certificate of incorporation) or representation (eg, power of attorney). There is no requirement of use or intent to use for filing a trademark application. The current fees are Sfr550 for filing an application in up to three classes and Sfr700 for a renewal, irrespective of the number of classes. Multi-class applications are possible.

Registrability and scope of protection

All signs that are capable of distinguishing the goods or services of one undertaking from those of others are registrable. Provided that they can be represented graphically, marks may be:

- words;
- letters;
- numerals;
- figurative representations;
- three-dimensional (3D) shapes;
- colours;
- sounds;
- moving images;
- holograms;
- positions;
- combinations of such elements; or
- other non-traditional marks (eg, touch and smell marks).

The Federal Administrative Court has

accepted smell marks in principle, but denied protection in a particular case due to a lack of graphical representability (FAC B-4818/2010 – Almond smell). The Trademark Act differentiates between individual certification and collective marks.

Article 2 of the Trademark Act (in accordance with Articles 6*quinquies* (B)(ii) and (iii) of the Paris Convention) excludes from registration signs that are:

- in the public domain, unless they have acquired secondary meaning;
- shapes constituting the nature of the goods themselves or that are technically necessary for the goods or their packaging;
- misleading; or
- contrary to public policy, morality or applicable law.

The relevant languages of registration are the official languages (French, German, Italian and Rhaeto-Romanic) and basic English, which is considered to be known by the average consumer.

Public domain: Signs that are in the ‘public domain’ are signs that lack distinctiveness or must be kept free for trade. However, suggestive words that raise no specific expectations and new combinations of descriptive signs that create a distinctive general impression may be registered. Signs that lack distinctiveness include:

- single numerals or single letters of the Latin alphabet. However, a single letter may gain secondary meaning if there is no indispensable need to keep it free (FSC 134 III 314 – M);
- simple geometrical signs (eg, circles and rectangles) – but not necessarily combinations of these;
- descriptive signs – for example, words that describe the quality, quantity, purpose, value, geographical origin or other characteristics of the goods or services, or slogans without a distinctive element. The following were refused protection due to lack of distinctiveness:
 - KEYTRADER in Class 36;
 - VERY IMPORTANT PHARMACY in Classes 3, 5 and 44;
 - HYDE PARK in Classes 12 and 28; and



The criteria for proving secondary meaning have become stricter: the IPI requires proof of use in all Swiss territories and in French, Italian and German

- OKTOBERFEST-BIER in Class 32 (the Administrative Court – unlike the EU Intellectual Property Office – rejected protection for this sign (FAC B-5169/2011) as it constituted a mere designation for a sort of beer);
- general indications of quality or purely promotional signs (eg, SUPER, MASTERS, TOP or ROYAL);
- common or banal signs (eg, ENTERPRISE, NETTO and top-level domains such as ‘.com’ and ‘.ch’); and
- registered trademarks which have subsequently become understood merely as a technical term. However, the degeneration of such sign requires strict proof (Commercial Court Zurich, sic! 2015, 24 – BOTOX/CELLCARE BOTOCARE).

Names of persons and characters may be registered as trademarks, unless they are frequently cited to describe certain goods or services (eg, MOZART for audio products) or must be kept free for trade (eg, RAPUNZEL in Classes 9, 14, 16, 20, 21, 28 and 41).

A trademark may consist of distinctive and non-distinctive elements, provided that one element is distinctive. No disclaimers are required for non-distinctive elements.

Signs which must be kept free for trade are those which are indispensable to that trade (eg, POST for postal services, the colour blue for beverages or MARCHÉ for restaurant and food services). Signs that are not absolutely indispensable for trade but initially lack distinctiveness may acquire secondary meaning and be registered on evidence of extensive use as a trademark in Switzerland (usually 10 years). The criteria

for proving secondary meaning have become stricter: the IPI requires proof of use in all Swiss territories and in French, Italian and German (FSC 128 III 441, 444 – Appenzeller, FAC B-8240/2010 – Aus der Region, für die Region).

Shape marks: Shape marks that are 3D signs additionally applied to goods (ie, the star on Mercedes-Benz cars) usually present no problems. More problematic are marks that represent the shape of the goods or their packaging – in general, these cannot be registered if their features are merely of an aesthetic nature, determined by technical necessities or the same as the expected and familiar shapes in the sector. However, the combination of shapes with two-dimensional elements (eg, words and logos) that significantly affect the overall impression can render a sign distinctive.

Misleading signs: A trademark is misleading if it creates expectations that are not fulfilled by the goods or services represented (eg, CAFÉ for coffee substitutes). The most relevant cases in this field are geographical terms that mislead as to the origin of the designated goods or services. The IPI is strict when it comes to geographical terms and holds that a sign consisting of or containing a geographical term evokes the expectation that the goods designated originated in that location. This presumption is rebuttable. In practice, a sign is not a geographical indication if:

- the place is unknown in Switzerland;
- the sign has a clear and direct symbolic character or other meaning;

- the place is obviously unsuitable for production or commerce of the goods claimed;
- the sign is a designation of type;
- the sign has acquired secondary meaning; or
- the sign has degenerated into a denomination of a genus (eg, Hamburger for a food product).

Applications for marks that include the geographical origin of the goods or services may still be registered if the covered goods are restricted to the origin suggested (eg, SAN FRANCISCO FORTY NINERS for US clothing and AFRI-COLA for African beverages). Where a foreign indication meets the statutory requirements of the country concerned, it is considered to be correct, subject to any possible misleading of consumers. Where a Swiss indication is concerned, the new legislation provides, as a principle, that a product is of Swiss origin if:

- it is grown and harvested in Switzerland (natural products);
- 80% of the raw material weight is of Swiss origin and the processing step that gives the product its essential characteristics is carried out in Switzerland (foodstuffs); or
- 60% of the manufacturing costs are accumulated in Switzerland and the processing step that gives the product its essential characteristics is carried out in Switzerland (industrial products).

Together with the new legislation on the Trademarks Act, the Federal Act on the Protection of the Coat of Arms and Other Official Signs has been revised. Previously, it was not possible to use or register any trademarks for goods which included the

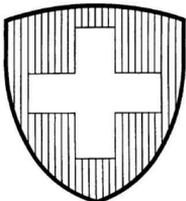
Swiss cross (in principle, it was illegal to use the Swiss cross until 2017 for goods, unless it was merely decorative). As this did not mirror the reality, the act was revised and the Swiss cross in the form of the Swiss flag is now registerable in a trademark. However, the use and registration of the Swiss coat of arms are still not permitted.

Public policy: Signs against public policy, morality or Swiss law include religious symbols and the names of prominent individuals without their consent (eg, BUDDHA BAR in Classes 9 and 41 and MADONNA in various classes). Signs against applicable law include those containing protected names and emblems (Swiss national legislation goes beyond Article 6*ter* of the Paris Convention).

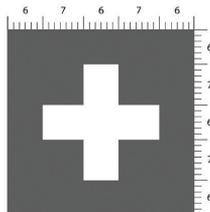
Geographical marks: The new law established a register of protected designations of origin and geographical indications for non-agricultural products and a register for geographical marks. It is now possible to register protected designations of origin and geographical indications (both agricultural and non-agricultural), wine designations recognised by the cantons and indications of source that are the subject of a Federal Council ordinance (eg, for watches) as geographical trademarks in a special register administered by the IPI. The applicant for such a geographical trademark must consist of a representative group and must file regulations governing the use of the mark. The applicant will not have the right to exclusive use; rather, anyone who fulfils the necessary conditions will be entitled to use the geographical mark.

Maintenance

Evidence of use need not be submitted to the IPI in order to maintain a trademark registration. Trademarks that are not used for an uninterrupted five-year period may be challenged on the grounds of non-use before the IPI or civil courts, unless proper reasons for non-use exist. Non-use may be invoked by the defendant in opposition proceedings and before the civil courts.



Swiss coat of arms



Swiss flag

Generally, the trademark must be used as registered. However, under Article 11(2) of the Trademark Act, minor variations are still permissible in order to prove genuine use. In practice, it has become increasingly difficult to prove genuine use. The decision in *P&C* highlights the importance of use of the trademark as registered, as the mark as used was found to be different (FAC B-6251/2013 – P&C):



As registered



As used

Procedures

Examination

The IPI examines applications on absolute grounds only, irrespective of whether they are national or international. No substantive examinations on relative grounds for refusal exist. These may be raised by the rights holder in opposition or civil proceedings. The timeframe from application to registration is usually 10 days to six months. Accelerated examination can be requested for Sfr400. The IPI will then examine the application within four weeks. Swiss trademark applications may be amended in any way during the application process (particularly in order to overcome provisional rejections). However, in the case of significant amendments, the application date will shift to the date on which these amendments were filed. IPI decisions can be appealed to the Federal Administrative Court and then to the Supreme Court.

Opposition

Swiss trademarks are published following registration. Oppositions to a registration may then be filed by the owners of:

- prior Swiss trademark applications and registrations;
- prior international registrations designating Switzerland; and
- trademarks that are well known in Switzerland under Article 6*bis* of the Paris Convention.

The non-extendable three-month filing

period starts from the publication date (for national registration) or the first day of the month following publication in the *World Intellectual Property Organisation Gazette* (for international registration). The fee is Sfr800. Compensation awarded to the prevailing party is between Sfr1,000 and Sfr2,000. If use of the prior mark is not challenged, the proceedings usually take one to two years.

IPI opposition decisions can be appealed to the Federal Administrative Court, whose decision is final.

Registration and duration

The trademark is protected as of the application date for a 10-year period and can be renewed for further 10-year periods. A six-month grace period exists for late renewal.

Removal from register

The IPI may rectify errors, but may not cancel registered trademarks on its own initiative. Previously, it was possible to challenge a registered trademark due to non-use only through an expensive court proceeding. With the new legislation, it is now possible to request cancellation due to non-use through a simplified administrative proceeding before the IPI.

Enforcement

Grounds of infringement and pitfalls

The owner of an earlier mark may prohibit others from using an identical or similar mark for identical or similar goods, including company names and domain names. The owner of an infringed trademark may introduce an opposition, civil action, criminal action and/or action before an arbitration court. Provisional injunctions and customs measures may be available.

The Trademark Act indicates no time limit for actions other than opposition proceedings. After four to eight years, the courts may dismiss an action due to forfeiture. In case of bad faith, there is usually no forfeiture. Provisional injunctions should be brought before the court within three months.

In criminal proceedings it is often difficult to present sufficient evidence of intent. In civil actions, the calculation of damages can likewise prove complex. Punitive damages are not available.

The registered trademark owner enjoys a presumption that its rights are valid. The key question is usually whether there is likelihood of confusion in the relevant trade circles. Regarding likelihood of confusion, the main factors taken into account are the similarity of the signs and the goods or services and the distinctiveness of the earlier mark. Diluted or weak trademarks (eg, marks with suggestive content, such as CHIC for Class 3, ELLE for women's clothing and NEWCARE for care products) enjoy a narrower scope of protection than characteristic marks, well-known marks and trademarks that constitute part of a series.

Regarding famous trademarks, Article 15 of the Trademark Act also allows a rights holder to take action against use in relation to any goods or services if the distinctiveness of its trademark is jeopardised or its reputation is exploited or affected.

Customs may suspend the import, export or transit of suspicious goods *ex officio* or on application. Customs will suspend clearance for 10 working days (extendable for another 10 working days) and provide samples. The applicant must then obtain preliminary measures before the court. Simplified proceedings are available. For example, the consent of the declarant/holder/owner is



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Marco Bundi studied law in Zurich. He was admitted to the Bar in 2005 and subsequently joined the Swiss Bar Association. He practised law before the cantonal courts before obtaining his LLM (University of Bern). He joined Meisser & Partners AG in 2006, after working at the UN Special Court in Sierra Leone. He writes on various aspects of trademark law and regularly contributes to *World Trademark Review*.

He obtained his doctorate from the University of Bern in 2008 and became a notary public in 2014. His practice covers IP rights enforcement, including domain disputes, unfair competition issues (including counterfeiting and passing off) and proceedings before national authorities and courts. He became a partner in 2012.



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Mr Schmidt has written several articles on various aspects of trademark law. His practice includes counselling on registrability and enforcement of IP rights – mainly trademarks, design patents and copyrights – including anti-counterfeiting, customs measures, domain disputes and protection against unfair competition. He is a member of the Swiss Bar Association, INGRES, the International Trademark Association and the Pharmaceutical Trademarks Group.



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deemed to be given if it does not expressly object to destruction (Article 72d of the Trademark Act).

Defences and remedies

Defences may include:

- non-infringement;
- nullity/invalidity of the earlier mark;
- prior use;
- private non-commercial use (however, private import, export or transit can be stopped under Article 13(2bis) of the Trademark Act);
- fair (ie, descriptive/informative/decorative) use;
- exhaustion of rights; and
- forfeiture.

Remedies may include:

- injunctions;
- declaratory judgment;
- assignment;
- an order to disclose the origin of goods;
- rendering of accounts;
- damages/redress/surrender of profits;
- publication of the judgment;
- destruction of infringing goods;
- criminal penalties (eg, imprisonment or a fine); and
- customs assistance.

Specialised courts

No specialised trademark courts exist in Switzerland, but the Trademark Act provides that each canton must designate one court for civil actions concerning IP disputes. This is usually the higher cantonal court or the

commercial court. However, it is advisable to select the right forum based on the particular case. Decisions of the higher cantonal courts can be appealed to the Federal Supreme Court.

Ownership changes and rights transfers

Swiss trademark applications and registrations may be totally or partially assigned with or without the goodwill of the business. A deed of assignment is usually submitted to the IPI.

Related rights

Trademark rights can overlap with other rights, particularly copyright, designs, moral rights (eg, rights in one's own name), rights to a company name and rights under geographical indication and unfair competition laws.

The Trademark Act protects owners against the use of confusingly similar marks in connection with similar goods and services as an identifier of commercial origin. Other types of use – such as comparisons with a competitor's products, imitations of trade dress and denigration – may be pursued under the Unfair Competition Act. In practice, both acts are often invoked simultaneously (FSC 6B_411/2013).

Online issues

The Trademark Act, the Unfair Competition Act and laws on the protection of moral rights and company names typically deal with online issues arising in connection with trademarks. Although trademark

infringement may be established only where a website involves similar goods or services (Higher Court of the Canton of Appenzell Ausserrhoden, D2Z 12 2, sic! 2014, 632 – axxeva/adexxa), other laws may apply in the case of an inactive site or a site containing dissimilar goods or services.

The Unfair Competition Act may allow proceedings against unfair behaviour. In addition, several municipalities (ie, Montana, Lucerne, Frick and St Moritz) have successfully challenged domain names that included their geographical names before the civil courts, based on the Unfair Competition Law and their right to a name.

Disputes over domain names may also be decided and settled by a World Intellectual Property Organisation panel under the Rules of Procedure for Dispute Resolution Proceedings for '.ch' and '.li' Domain Names ('.li' being the top-level domain for Liechtenstein), which have been adopted by SWITCH (the '.ch' and '.li' registry). Under Paragraph 24(c) of the rules, the panellist will grant a cancellation request if the registration or use of the domain name constitutes a clear infringement of a right in a distinctive sign that the claimant owns under the law of Switzerland or Liechtenstein. **WTR**



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Examination/registration

Representative requires a power of attorney when filing? Legalised/notarised?

No



Examination for relative grounds for refusal based on earlier rights?

No



Non-traditional marks registrable?

3D; colours; sounds; moving images; holograms; positions.

**Unregistered rights**

Protection for unregistered rights?

Yes



Specific/increased protection for well-known marks?

Yes

**Opposition**

Opposition procedure available? Term from publication?

Yes: three months.

**Removal from register**

Can a registration be removed for non-use? Term and start date?

Yes: five years after lapse of opposition term or decision of opposition proceedings.



Are proceedings available to remove a mark that has become generic?

Yes



Are proceedings available to remove a mark that was incorrectly registered?

Yes

**Enforcement**

Specialist IP/trademark court?

No



Punitive damages available?

No



Interim injunctions available? Time limit?

Yes: should be filed within four to six months.

**Ownership changes**

Mandatory registration for assignment/licensing documents?

No

**Online issues**

National anti-cybersquatting provisions?

No



National alternative dispute resolution policy (DRP) for local ccTLD available?

Yes: SWITCH.ch policy.

