

Switzerland: Trademark procedures and strategies

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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. The latest revisions to the act include revisions regarding 'Swissness', providing administrative trademark cancellation proceedings on the grounds of non-use and better protection for Swiss geographical indications, as well as establishing a register for geographical indications for non-agricultural products and a register for geographical marks. These revisions entered into force on 1 January 2017. The adoption of the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, providing the registration of geographical indications and their relation to trademarks, entered into force on 1 December 2021.

International

Switzerland has signed most pertinent international agreements, including:

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

Unregistered marks

Generally, trademark rights are established through entry in the trademark register.

Well-known unregistered trademarks may enjoy protection under Article 6bis of the Paris Convention.

The use of unregistered signs may, in individual cases, be protected:

- by the Federal Act against Unfair Competition;
- as moral rights to a name;
- as foreign trade names under the Paris Convention;
- as geographical indications; and
- by the Federal Act on Copyright and Related Rights.

The Federal Act on the Protection of Trademarks and Indications of Source provides the right to continue using a sign to the same extent if a third party subsequently registers an identical or similar mark.

Registered marks

Any natural or legal person can apply for trademark registration in Switzerland (restrictions apply to geographical and collective marks). Foreign applicants must indicate an address for service in Switzerland. There is no requirement of use or intent to use for filing an application. However, trademarks that have been registered without any intention to use may be challenged. The current fee is Sfr550 for filing an application in up to three classes. Multi-class applications are available.

Registrability

All signs that are capable of distinguishing the goods and services of one undertaking from those of another are registrable. Provided that they can be represented graphically, marks may be any kind of sign, including:

- words, letters and numerals;
- figurative representations;
- three-dimensional (3D) shapes;
- colours;
- sounds;
- motion marks;
- holograms;
- position marks;
- combinations of the above; or
- other non-traditional marks (eg, olfactory marks).

Multimedia marks are, contrary to the European Union and other jurisdictions, currently not yet registerable with the Federal Institute of Intellectual Property (IPI).

The Federal Administrative Court accepted olfactory marks in principle, but denied protection in a particular case due to a lack of graphical representability.

The Federal Act on the Protection of Trademarks and Indications of Source differentiates between individual, certification, collective and geographical marks.

Article 2 of the act excludes signs from registration that are:

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

The relevant languages for examination 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. Signs that lack distinctiveness include:

- single numerals or single letters of the Latin alphabet;
- simple geometrical signs (eg, circles and rectangles);

- descriptive signs – including words, images, slogans or pictograms that describe the nature, quality, quantity, purpose, effect, content, get-up, addressee, geographical origin or other characteristics of the goods or services – for example: KEYTRADER in Class 36; MUFFIN KING in Class 30; NOBLEWOOD in Classes 2, 19 and 27; VIAGGIO in Class 12; COOL ACTION in Class 3; JAZZ in Class 9; GOLD BAND in Class 34; OKTOBERFEST-BIER in Class 32; VERY IMPORTANT PHARMACY in Classes 3, 5 and 44; and SIBIRICA in Classes 10, 20 and 24 (direct geographical indications are registrable if they are registered in the country of origin); and a red sole for women's shoes (position mark);
- general indications of quality or purely promotional signs (eg, SUPER, MASTER, MASTERPIECE, TOP, HYPE, PRIMO or ROYAL);
- common or banal signs (eg, ENTERPRISE or NETTO), references to a company form (eg, Ltd), ccTLDs and generic TLDs (eg, '.com' and '.ch'), telephone numbers (eg, 0800), plant variety denominations and international non-proprietary names; and
- shapes that are expected and common in the relevant sector – such forms can be registered as 3D marks when they are combined with distinctive two-dimensional elements that significantly affect the overall impression.

Based on the ruling of the Federal Supreme Court (BGer) 4A_518/2021 in proceedings between PUMA Se and FIFA, the IPI has changed its practice regarding event marks. In this ruling, the BGer found that the combinations QATAR 2022 and WORLD CUP 2022 initially lacked distinctive character under trademark law. The IPI will therefore comprehensively reject signs according to this pattern if they are filed as word marks. However, this only applies if the specific combination is perceived by the relevant public as an indication of an event, which presupposes that the place mentioned in the sign is known and that the year is in the near future.

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

A trademark may consist of distinctive and non-distinctive elements and is registrable if one significant element is distinctive. Disclaimers are neither required nor permissible for non-distinctive elements.

Signs that must be kept free for trade are those which are indispensable to that trade (eg, abstract colours such as the colour blue for beverages, POST for postal and MARCHÉ for restaurant and food services).

Signs that initially lack distinctiveness and that are not absolutely indispensable for trade may acquire secondary meaning and be registered upon evidence of extensive use in Switzerland. The IPI typically requires proof of use over several years (usually 10 years) in all Swiss territories (French, Italian and German-speaking parts) as a trademark (eg, not as a company name) in relation to the designated goods and services, and to a significant extent. Documents or surveys are accepted as evidence.

Shape marks

Shape marks that are 3D signs additionally applied to goods (ie, the star on Mercedes-Benz cars) are examined by the IPI based on whether they are in the public domain. However, shape marks that represent the shape of the goods or their packaging cannot be registered if they are in the public domain, if their features correspond to the nature of the goods (eg, a ring) or if they are determined by technical necessities. Such shapes cannot acquire secondary meaning.

Misleading signs

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

- the place is unknown;
- the sign has a clear and direct other or symbolic 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;
- the sign has degenerated into a denomination of a genus (eg, Hamburger for food products); or
- the overall impression does not evoke the expectation of any geographical origin (eg, the geographical term in the mark rather refers to the point of sale, the place of an event, the content, the owner of the mark or others, such as DEUTSCHER FUSSBALL-BUND in Class 29; and THE HARLEM GOSPEL SINGERS in Class 25).

Applications for marks that evoke a geographical origin may still be registered if the sign is distinctive (eg, AFRI-COLA for African beverages). As of 1 March 2022, the IPI no longer asks for a restriction on the list of goods and services to the goods and services of the applicable place of origin, provided that there is no legal or contractual obligation to restrict the list and

assuming that correct use of the geographical indication is possible. A foreign indication should meet the statutory requirements of the country concerned, subject to misleading Swiss consumers. A Swiss indication is generally considered to be of Swiss origin if:

- products are 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).

Public policy

Signs against public policy or morality include racist, religiously hostile or sexually offensive signs or names of prominent individuals (without their consent) (eg, BUDDHA BAR in Classes 9 and 41; MADONNA in various classes; and MINDFUCK in Classes 21, 25, 35 and 41). Signs against applicable law include those containing protected names, coats of arms and emblems (Swiss national legislation goes beyond Article 6ter of the Paris Convention) and any other signs that are prohibited by law (eg, 'mild' for tobacco products).

Geographical marks

The new law provides for a register for geographical indications for non-agricultural products and a register for geographical marks. It is possible to register 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 marks. The applicant of a geographical mark must be a representative group and must file regulations governing the use of the mark. Anyone who fulfils the conditions is entitled to use the geographical mark. A geographical mark is not vulnerable in case of non-use; it cannot be licensed or transferred and no opposition based on a geographical mark can be filed.

Maintenance

Declarations or evidence of use need not be submitted to the IPI to maintain a trademark registration. Trademarks that are not used for an uninterrupted five-year period (starting from the expiry of the opposition period for national marks, the declaration of grant of protection for international marks or a final decision in the case of a refusal or opposition) 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 civil courts. Since the introduction of the administrative non-use cancellation proceedings before the IPI in 2017, the IPI has decided more than 117 cases, which shows that these proceedings are an effective method of challenging trademarks in cases of non-use.

If use of the trademark is commenced or resumed after more than five years, the right to the trademark is restored with effect from the original priority date, unless non-use has been invoked prior to the commencement or resumption of use.

Generally, the trademark must be used as registered. However, minor variations are permissible to prove genuine use provided that the distinctive core of the mark is maintained. Omitting distinctive elements is generally more critical than adding such.

Procedures

Examination

The IPI examines applications on absolute grounds only. Relative grounds may be raised by holders of earlier rights within opposition or civil proceedings. The timeframe from application to examination or registration is usually six days to six months. Accelerated examination can be requested for Sfr400. The IPI will then examine the application within four weeks. Swiss trademark applications (unlike international applications designating Switzerland) may be amended during the application process. However, in case of significant amendments, the application date will shift to the date on which the amendments were filed. IPI decisions can be appealed to the Federal Administrative Court and thereafter to the BGer.

Opposition

Oppositions to a registration may be filed by the owners of:

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

The non-extendable three-month opposition period starts from the registration and publication date (for national registrations) or the first day of the month following publication in the *WIPO Gazette* (for international registrations). The official fee is Sfr800. Compensation awarded to the prevailing party is between Sfr1,200 and Sfr2,400. If use of the prior mark is not challenged, proceedings usually take one to two years. IPI opposition decisions can be appealed to the Federal Administrative Court, the decision of which 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. The renewal fees are Sfr700, irrespective of the number of classes. A six-month grace period exists for late renewal (against an additional Sfr50 fee).

The use of the '®' symbol is not mandatory. Its use for a mark that is not registered may be considered an act of unfair competition.

Removal from register

The IPI may not cancel registered trademarks *ex officio*. Third parties may particularly request removal based on absolute or relative grounds, abusive registration or non-use before civil courts. Cancellation proceedings based on non-use can also be initiated within a simplified administrative proceeding before the IPI. The requesting party must show *prima facie* evidence of non-use, while the owner of the mark must provide *prima facie* evidence of use. An in-use search provided by a service provider may be considered sufficient evidence before the IPI. The official fee for administrative proceedings is Sfr800. Party compensation is between Sfr1,200 and Sfr2,400, plus compensation of expenses for in-use searches, may be awarded to the prevailing party.

Enforcement

Grounds of infringement and proceedings

The owner of an earlier mark may prohibit others from using an identical or similar mark for identical or similar goods and services if likelihood of confusion results. The scope of protection covers any use of the mark as a distinctive sign in the course of trade, including in import, export or transit (eg, as mark, company or domain name). The owner of an earlier mark may particularly introduce an opposition, civil action, criminal action or customs measures, or a combination thereof. Preliminary measures are available.

The Federal Act on the Protection of Trademarks and Indications of Source indicates no time limit for civil actions. Generally, after four to eight years, the civil 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 approximately four months. Criminal complaints must be submitted within three months after the offender has become known. If the offender acts for commercial gain, they will be prosecuted *ex officio*.

As a general rule, the burden of proof lies with the party deriving rights from an alleged fact. This party bears the consequences of lack of evidence. The registered trademark owner enjoys a presumption that its rights are valid. In criminal proceedings, it is often difficult to present sufficient evidence of commercial use or wilful infringement, or both. In civil actions, the calculation of damages can likewise prove complex. Punitive damages are not available.

A key question is usually whether there is likelihood of confusion in the relevant trade circles. The main factors for likelihood of confusion are the similarity of signs, the similarity of goods and services, and the distinctiveness of the earlier mark. Weak or diluted trademarks or trademark elements (eg, CHIC for Class 3; ELLE for women's clothing; FM for broadcasting; or NEWCARE for care products) enjoy a narrower scope of protection, while well-known marks enjoy a broader scope.

Article 15 of the Federal Act on the Protection of Trademarks and Indications of Source allows a rights holder of a famous trademark to take action against use in relation to any goods or services if the distinctiveness of its trademark is jeopardised (dilution), or its reputation is exploited or affected.

Customs may suspend the import, export or transit of suspicious goods *ex officio* or on application. The applicant must then obtain preliminary measures. Simplified proceedings are available. For example, the consent of the declarant, holder or owner is deemed to be given if they do not expressly object to destruction.

Defences and remedies

Defences may include:

- no likelihood of confusion or non-infringement;
- earlier mark is void or not enforceable due to non-use;
- prior rights or prior use and the right to continued use;
- private, non-commercial use (however, private import, export or transit can be stopped);
- fair (ie, descriptive, informative or decorative) use;
- exhaustion of rights; and
- forfeiture.

Remedies may include:

- securing evidence;
- declaratory judgment;
- injunction or prohibition;
- remedy of existing infringement;
- disclosure of information to the origin and quantity of goods;
- damages, redress or surrender of profits;
- publication of judgment;
- destruction of infringing goods; and
- criminal penalties (eg, imprisonment or fine).

Specialised courts

No specialised trademark courts exist in Switzerland, but civil cases are judged by the higher cantonal or commercial courts. Decisions of these first-instance courts can be appealed to the BGer.

Ownership changes and right transfers

Swiss trademark applications and registrations may be totally or partially assigned (except geographical marks). The assignment must be in writing and usually includes goodwill. The recordal in the register is not constitutive, but a recorded assignment is effective towards third parties acting in good faith.

Licences may be recorded in the register, but such recordal is not mandatory (except for collective marks). The recordal may be in the interest of the licensee, since the licence becomes binding on any rights to the trademark subsequently acquired. Use by a licensee is attributed to the owner when a valid licence can be shown.

Security interests in trademarks are possible. While the recordal in the register is not constitutive, only recorded rights have effect against third parties acting in good faith.

Related rights

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

The Federal Act on the Protection of Trademarks and Indications of Source protects owners against the use of confusingly similar marks in connection with similar goods or services as an identifier of commercial origin. Other types of use (eg, comparisons with a competitor's products, imitations of trade dress or denigration) may be pursued under the Unfair Competition Act, the Design Protection Act if there is a registered design or the Copyright Act if the mark qualifies as an artwork under the act. In practice, these acts are often invoked simultaneously.

Online issues

Generally, all laws apply in virtual life as they do in real life. The Federal Act on the Protection of Trademarks and Indications of Source, the Unfair Competition Act, and laws on the protection of moral rights and company names typically apply in online trademark issues. Although trademark infringement may be established only where a website involves similar goods or services, other laws may apply in case of an inactive site or a site offering dissimilar goods or services. Access providers are not liable under the pertinent IP laws.

The Unfair Competition Act may allow proceedings against unfair behaviour, including hindering and blocking, unnecessary imitation and exploitation of reputation or creation of a risk of confusion. In addition, several municipalities (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 Act and their right to a name.

Disputes over domain names may also be decided by a WIPO panel under the Rules of Procedure for Dispute Resolution Proceedings for '.ch' and '.li' domain names ('.li' being the TLD 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. In 2021, 18 UDRP cases were decided, of which 16 were transferred to the complainant.

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