

# Swiss trade marks practice on misleading geographical indications

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Many Swiss trade marks, like American Beauty,<sup>1</sup> Kambly La Haute Tradition Suisse,<sup>2</sup> La Table Suisse,<sup>3</sup> Caribbean Queen,<sup>4</sup> Caribbean Style,<sup>5</sup> or Camp America<sup>6</sup> (to name but a few), have one thing in common—they contain a geographical reference.<sup>7</sup> Geographical references in trade marks are a popular way to evoke desirable associations, imaginations, emotions, or ideas. For instance, referring to Caribbean Islands may suggest holidays and sports, while a reference to Switzerland may evoke reliable production standards.<sup>8</sup> However, geographical references in a trade mark may possibly mislead the relevant public with respect to the origin of goods or services. Must Caribbean Queen fish or spiny lobsters necessarily originate from the Caribbean in order not to be misleading? And what about La Table Suisse for fish? Should these trade marks be treated differently? Are there different understandings of such trade marks in various countries, and where are the borderlines between expected and unexpected origin? While the Swiss trade mark Caribbean Queen is not restricted to any country, La Table Suisse however is.

What about American Beauty? Is this trade mark evocative of an American perfume or just of the American ideal of beauty? While the Swiss Trade Marks Office characterized it as a trade mark with a geographical element and thus necessarily restricted to goods of American origin, the Federal Administrative Court held on 1 June 2007 that this trade mark did not bear a geographical element, but eventually denied its registrability on the grounds of descriptiveness.<sup>9</sup> In contrast, the US Patents and Trade Marks Office

## Key issues

- The Swiss Trade Marks Office follows a strict test concerning trade marks containing geographical indications.
- The practice often constrains the applicant in restricting the goods and services.
- This practice is not only at odds with other European jurisprudence, but inconsistent with reality.
- The author proposes a change of the current practice with a wider acceptance on a case-by-case basis, which was recently brought forward by the Appeals Board, but subsequently rejected by the Supreme Court.

(USPTO) allowed the trade mark without any restriction.<sup>10</sup> This recent case clearly shows that there are quite different opinions on geographical elements in trade marks and that the jurisprudence is inconsistent.

The opinions and meanings of what may amount to a geographical reference vary also significantly from jurisprudence to jurisprudence. A nice example taken from J. David Meisser<sup>11</sup> concerning Florida as a trade mark shows how difficult and inconsistent the jurisprudence is in this regard. The Swiss Supreme Court held in a decision of 1963 that Florida, for non-US beverages was misleading, since many consumers know that pineapples are cultivated in Florida. One year later, the Dutch Courts held that the public did not know of fruit-growing activities in Florida and thus approved its

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1 Swiss application no. 56435/2004 claiming classes 3, 35, and 44.

2 Swiss trade mark no. 359131 claiming class 30 goods with Swiss origin.

3 Swiss trade mark no. 399120 claiming class 29 goods with Swiss origin.

4 Swiss trade mark no. P-332883 claiming class 29 goods without restriction of origin.

5 Swiss trade mark no. 495546 claiming class 32 goods without restriction of origin.

6 Swiss trade mark no. 364497 claiming class 16 goods that relate to the USA.

7 The Swiss Trade Marks Office offers a handy search tool for trade marks (also in English), available at [swissreg.ch](http://swissreg.ch), where all the cited trade marks may be found.

8 As URS GLAUS is pointing out correctly, usually consumers associate to a certain location a positive (or negative) understanding, see Urs Glaus, *Alle geographischen Herkunftsangaben sind schützenswert*, in: *Binsenwahrheiten des Immaterialgüterrechts*, Festschrift für Lucas David, Zurich 1996, p. 91.

9 Decision B-7406/2006 of the Administration Court of 1 June 2007.

10 US trade mark no. 78275114 for classes 3 and 44.

11 J David Meisser, *Der gesunde Menschenverstand erlaubt die Beurteilung der Täuschungsgefahr*, in: *Binsenwahrheiten des Immaterialgüterrechts*, Festschrift für Lucas David, Zurich 1996, p. 117.

acceptance without restrictions into the Trade Marks Register. In Germany, Florida was also entered without restriction. However, a year later, the Austrian Patent Office considered Florida as non-protectable.

## Indications of origin and deception

Geographical signs in trade marks are referred to by several different terms, often used inconsistently:<sup>12</sup> indications of origin, geographical indications, or appellation of origin, to name but a few. To highlight the differences between them, it suffices to point out to some important international treaties.

The Paris Convention stipulates that, pursuant to Article 10(1), '[t]he provisions of the preceding Article [concerning seizure] shall apply in cases of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant'. However, the definition of the term of false indication of the source of goods or identity of the producer is left to the contracting states.<sup>13</sup> The Madrid Agreement<sup>14</sup> in contrast encompasses not only false but also deceptive indications. The Lisbon Agreement concerns appellations of origin, which are defined in Article 2(1) as the 'geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors'.

More recently, the TRIPs Agreement<sup>15</sup> holds, under the heading Protection of Geographical Indications, that under Article 22(1), '[g]eographical indications are ... indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin'. Following the wording of Article 22(1) of TRIPs, not all types of geographical indications are covered, there being further require-

ments in relation to goods. However, protection is also granted to places not known in other countries or by consumers.<sup>16</sup> Services are not covered by this wording.

As will be shown below, the terms of geographical indications which feature in international agreements do not match the terms used in Swiss Law. In order to avoid confusion with regard to different terms, this article uses 'geographical signs'<sup>17</sup> as an umbrella term comprising every name, symbol, or indication of a geographical location or place, regardless of whether under the specific circumstances it evokes expectations as to the origin or quality of a product or service.

## The Trade Marks Act

The Swiss Trade Marks Act deals twice with geographical signs, which are not excluded from trade marks protection per se. Following Article 2(a) and (c) of the Trade Marks Act they are, just like any other sign, only excluded from registrability if they are descriptive or misleading for a specific good or service for which registration is sought.<sup>18</sup> This article only deals with the issue of misleading geographical signs, leaving aside the issue of descriptiveness.

The relevant regulations for geographical elements in Swiss Law may be found in the second section of the Trade Marks Act, in Articles 47 to 51 under the heading of 'indication of origin'<sup>19</sup> ('Herkunftsangaben' in German, 'indications de provenance' in French).

Not every geographical sign found in a trade mark is qualified as a geographical indication under the Swiss Trade Marks Act. According to Article 47(1), indications of origin are signs which are understood by the relevant consumers as direct or indirect indications of the geographical origin of goods or services, including indications to quality or characteristics connected to their origin.<sup>20</sup>

As sub-categories of geographical signs, one may distinguish between (i) indications of origin containing (a) simple indications of origin and (b) appellations of

12 J David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, p. 157, see also L Hirt, *Der Schutz schweizerischer Herkunftsangaben*, Bern 2003, p. 8.

13 L Hirt, *Der Schutz schweizerischer Herkunftsangaben*, Bern 2003, p. 207.

14 Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, as of 14 April, 1891.

15 TRIPs Agreement on Trade-Related Aspects of Intellectual Property Rights of 15 April, 1994, Annex I.C at p. 328 (SR 0.632.20).

16 See in this regard Nun Pires de Carvalho, *The TRIPs Regime of Trade Marks and Designs*, Netherlands 2006, N 22.1. at p. 369.

17 With regard to State Emblems, Official Hallmarks or Emblems of Intergovernmental Organizations as geographical indications in trade

marks see Art. 6<sup>ter</sup> (1) of the Paris Convention for the Protection of Industrial Property of 20 March, 1883.

18 C Willi, *Markenschutzgesetz, Kommentar*, Zurich 2002, N 12 to Vor 47, p. 339.

19 An English translation of the Trade Marks Act provided by Pestalozzi, Lachenal, Patry, MSchG, MSchV, URG, UWG, Zurich, Basel, Geneva 2005, speaks in this regard of appellations of origin, which seems however—considering the international treaties—as a too narrow term.

20 There are of course international treaties and bilateral agreements which may guarantee further protection to certain products, such as the TRIPs Agreement, the Paris Convention, agreement of Stresa, etc. see in these regards J. David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, 235–269.

origin<sup>21</sup> on one hand (according to Article 47(1)), and (ii) geographical names not known by the relevant public as an exception on the other (according to Article 47(2)).<sup>22</sup>

## Simple indications of origin and appellations of origin

Since Article 47(1) encompasses both indications of origin and appellations of origin, no distinction is made in this regard. Article 47(2), however, only restates in a negative way what Article 47(1) already stipulates, namely that geographical signs that are not understood by the relevant trade sector as an indication of a certain origin of goods and services are not considered indications of origin in terms of Article 47(1).

Article 47(2) identifies two different exceptions regarding signs that are never considered as geographical indications: unknown geographical indications such as Bernex for watches<sup>23</sup> or Solis for heating pads,<sup>24</sup> Bellagio for various products in class 29 and 31<sup>25</sup> and geographical names that are apparently not a place of production, fabrication, or trade are never considered as geographical indications. The latter category comprises for instance Galapagos for TV sets, Congo for shoe cream, Alaska for menthol cigarettes, Südpol (South Pole) for fridges, or Äthna for Bunsen burners,<sup>26</sup> and thus are not perceived as misleading with regard to their production. Crucial in this regard is the understanding of the relevant public.

Turning back to Article 47(1), direct indications consist of names of countries, cantons, or cities, whereas indirect indications also encompass symbols such as known streets, rivers, lakes, mountains,<sup>27</sup> monuments, and buildings. Examples include Uncle Sam, Trafalgar,<sup>28</sup> Tell,<sup>29</sup> Arc de Triomphe,<sup>30</sup> and Big Ben.<sup>31</sup>

If the relevant sector of the public expects from goods with a geographical name that the quality, reputation, or other characteristics of the good are essentially attributable to that particular location, this amounts to an appellation of origin, which is nothing else but a qualified indication of origin, such as Champagne or Murano Glas.<sup>32</sup> Thus, the latter has the same scope as Article 22(1) of TRIPs. Once again, the public's view is crucial for the determination as to whether a certain name is understood as a simple or qualified geographical indication with regard to specific goods.

Domain names ending with country codes (ie Top-Level-Domains) such as .ch and .de are also considered as indirect geographical indications and thus have to comply with the same restrictions as other marks containing geographical indications.<sup>33</sup>

The differentiation between indirect and direct geographical indications is not merely theoretical. While direct geographical indications are only registrable when further requirements are met, one may usually apply successfully for a trade mark containing an indirect geographical indication as main element.<sup>34</sup> Furthermore, appellations of origin require further restrictions with respect to limitation of the goods in question, which will be shown below.

## Deception according to Article 47(3)

According to Article 47(3) of the Trade Marks Act, the use of a mark is not permissible if it (a) contains false geographical indications, (b) contains elements which may be confused with false geographical indications, or (c) contains a name, address, or a trade mark in relation with goods or services of foreign origin, if this results in a risk of deception.

21 Following the TRIPs Agreement, only appellations of origin are within the scope of Art. 22(1).

22 J. David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, 157–158.

23 Decision of the Swiss Federal Court (BGE), BGE 81 I 299—Bernex. Bernex, at that time was a small community in Geneva with 1260 inhabitants, however, today according to bernex.ch comprising more than 9400 inhabitants.

24 BGE 79 II 98, p. 101, E. 1d—Solis.

25 Decision B-7411/2006 of the Administration Court of 22 May 2007. However, this decision is not final yet and it is to be expected that the Supreme Court will have the final word since the Administration Court in allowing this trade mark overturned the Swiss Trade Mark Office's earlier decision.

26 Examples taken from: BGE 128 III 454, p. 459, consideration (E.), E. 2.1.2.—Yukon with further references.

27 Whether the names of streets, rivers, lakes, or mountains are qualified as indirect or direct geographical indications is disputed in Swiss doctrine,

see Lorenz Hirt, *Der Schutz schweizerischer Herkunftsangaben*, Bern 2003, p. 20 for an overview of the different theories.

28 BGE 93 I 570—Trafalgar.

29 Appeals Board (RKGE), RKGE decision of 19 October 1999, in: Sic! 6/1999, p. 645—Uncle Sam where the Appeals Board harshly criticized the Trade Mark Office's inconsistent practice that allowed, for example, John Bull, Samurai, Apache or Buffalo Bill's without any limitations to origin.

30 Decision of the High Court Basel of 16 November 1999, in: Sic! 2000, p. 315 - Arc de Triomphe.

31 BGE 76 I 168—Big Ben.

32 Further examples may be found in J. David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, 164.

33 Sic! 2002, p. 351 E. 5—amazon.de.

34 Appeals Board (RKGE), RKGE decision of 19 October 1999, in: Sic! 6/1999, 645—Uncle Sam.

A sign is generally considered as misleading if it contains geographical indications or possibly consists only of a geographical indication and leads the relevant consumer to the conclusion that the goods in question originated from a certain place, if they do not in reality do so.<sup>35</sup> In this regard, the well-known status of a geographical indication, the actual and proximate relationship between the origin and the goods or services in question, the design of the trade mark and possible additional indications, which may raise or lower the likelihood of deception, must be considered.<sup>36</sup>

According to the practice of the Swiss Trade Marks Office, signs containing or consisting solely of a geographical indication may only be entered into the Trade Marks Register if any risk of deception by reference to the list of goods and services for which registration is sought is excluded.<sup>37</sup> Therefore, when considering whether a sign is perceived as a geographical indication, it must be established whether the owner claims goods or services. In the following analysis, the jurisprudence will be laid out with respect to both goods and services.

## Geographical indications used in trade marks

### General considerations

Trade marks consisting of a geographical indication are only admissible for products which correspond to the perception of the relevant average consumer. The list of goods must be constructed in such a way that every likelihood of deception is excluded. This is different with regard to service marks, as will be shown below.

Usually, it is sufficient to limit the goods to the corresponding country. According to the Supreme Court, it is not misleading if the goods of a trade mark like Montparnasse<sup>38</sup> or Haacht<sup>39</sup> are not manufactured in these places themselves, but anywhere in France

or Belgium, respectively. As such, the trade marks Colorado<sup>40</sup> for clothing had to be restricted to US goods, Fischmanufaktur Deutsche See<sup>41</sup> to German goods and Miss All American Beauty<sup>42</sup> to US products in class 31. Fifth Avenue<sup>43</sup> was perceived as misleading for Belgian beauty products, just as Big Ben<sup>44</sup> was for Dutch clothing, La Guardia and Dorset<sup>45</sup> for German Tobacco products, Lima<sup>46</sup> for Italian manufactured toy-trains, San Francisco Forty Niners<sup>47</sup> for non-US clothing, Alaska<sup>48</sup> for French beverages, and Florida<sup>49</sup> for non-US beverages.

According to the Trade Marks Office, in certain cases, where the geographical indication is capable of evoking a particular quality or value association, the limitation has to be broken down to the corresponding territory. This particularly applies to agricultural soil products such as wine or mineral water products.<sup>50</sup> In other words, it applies to appellations of origin.

### Place of origin of goods

The determination of a product's place of origin still remains to be answered. According to Article 48(1) of the Trade Marks Act, the origin of goods depends on the place of production or the origin of its basic materials and components.

Swiss doctrine distinguishes two different kinds of products: soil products and industrial products.<sup>51</sup> With regard to pure soil products such as vegetables, coal, and mineral water, it is generally expected that they are raised in the location that corresponds to their name, while any subsequent processing is of merely marginal importance. The place of processing might be taken into consideration if particular attributes are added to the soil products. For the determination of the relevant place, public opinion is decisive as to which place occupies the foreground.<sup>52</sup>

For Swiss cheese, it is for example to be expected that both the milk as a starting product and the cheese as final goods were made in Switzerland.<sup>53</sup> Also, fish

35 BGE 132 III 770, p. 772, E. 2—Colorado (fig.).

36 RKGE decision of 30 March 2000, in: Sic! 2000, 508—Dakota (fig.)

37 Guidelines in trade mark matters, issued by the Swiss Trade Marks Office, Bern 2007, chapter 4, cf. 8.7.1.

38 BGE 117 II 327, p. 330, E. 2a—Montparnasse.

39 BGE 100 Ib 356, p. 356–357, E. 4b—Haacht.

40 BGE 132 III 770, p. 772, E. 2—Colorado (fig.).

41 BGer. 4A.3/2006 decision of the Supreme Court of 18 May 2006—Fischmanufaktur Deutsche See (fig.).

42 See international trade mark no. 314449.

43 BGE 72 I 240—Fifth Avenue and 5th Avenue.

44 BGE 76 I 168—Big Ben.

45 BGE 89 I 290—Dorset and La Guardia.

46 Swiss Patent, Industrial Design and Trade Mark Gazette (PMMBL), PMMBL 80, p. 52—Lima, decision of the Swiss Supreme Court of 19 February 1980.

47 PMMBL 96, p. 25—San Francisco Forty Niners and San Francisco 49rs, decision of the Swiss Supreme Court of 25 August 1995.

48 PMMBL 96, p. 76—Alaska, decision of the Swiss Supreme Court of 2 August 1994.

49 BGE 89 I 298—Florida.

50 C Willi, Markenschutzgesetz, Kommentar, N 243 to Art. 2, p. 107.

51 C Willi, Markenschutzgesetz, Kommentar, N 5–7 to Art. 48, p. 363 and L David, Markenschutzgesetz Muster- und Modellgesetz, 2nd edn, Basel 1999, N 3–5 to Art. 48, p. 303.

52 BGer. 4A.3/2006 decision of the Supreme Court of 18 May 2006, E. 2.4.—Fischmanufaktur Deutsche See (fig.).

53 BGE 81 IV 99, p. 100—Schweizer Schachtelkäse.

and seafood are considered to be natural products stemming from where they have been caught.<sup>54</sup> With respect to wine and spirituous beverages, it is usually the place of cultivation.<sup>55</sup> In contrast, with regard to tobacco products, it is the place of the processing which is decisive.<sup>56</sup>

### Place of origin of services

Article 49 of the Trade Marks Act changes the legal situation when it comes to geographical indications used in trade marks for services. Thus, the origin is determined by (a) the registered offices of the person providing the services, (b) the nationality, or (c) the domicile of persons exercising actual control over the policy and management of the business. One of the three criteria has to be met in order that an appellation should not be misleading.<sup>57</sup>

Article 47(4) of the Trade Marks Act relaxes the absoluteness of these rules insofar as regional or local indications of origin for services may be deemed true and not misleading if such services meet the criteria of origin for the country as a whole. However, this provision has been widely criticized as too broad since it would—at least in theory—allow one to operate a ‘Geneva mountaineering school’ in Zurich.<sup>58</sup> According to the legislative intention, Article 47(4) was enacted because the relationship between a service and an indication of origin was not as close as that which exists between a good and its place of production.<sup>59</sup> It is at least questionable whether this reasoning really applies to the relevant average consumer understanding.

The Act does not require the trade mark applicant to have registered offices in a certain country. Rather, it is only required that the person providing the services has its registered offices in the country referred to. Therefore, it is possible for an American company to apply for a trade mark for the expression Fedex Europe First.<sup>60</sup> The trade mark might indeed allude, through the use of the term Europe, to services provided in Europe. However, if the applicant provides proof that not itself, but rather its subsidiaries or licensees provide

the services in question, then the trade mark has to be entered on the register. Whether the trade mark applicant will really provide the services through licensees or subsidiaries is not subject matter of the examination of the Trade Marks Office.<sup>61</sup>

### Consequences of using misleading geographical indications

The consequences of not abiding by the provisions of the Trade Marks Act, thus creating a likelihood of deception, amounts—following Article 64 of the Trade Marks Act—to a criminal act which may be punished by up to 1 year in prison or a fine of up to 100,000 CHF. In order to initiate these proceedings, a complaint must be lodged. The right to lodge such a complaint is very limited, since only the owner of a right to a geographical indication may exercise it. Action by the community is not legitimated since this would amount to an ex officio prosecution.<sup>62</sup> However, this interpretation of the Act is not undisputed.<sup>63</sup> Furthermore, Article 70 and subsequent provisions of the Trade Marks Act stipulate the possibility for trade mark owners, persons entitled to use an indication of origin or certain professional, and trade associations to invoke the assistance of the Customs Authorities. However, in these cases, it is crucial for Customs Authorities to know in advance who is the person entitled to use an indication of origin.

Since up to now, the application of criminal law procedures has been very sparse, the possibly more important and far-reaching consequence for a trade mark owner who restricted his list of goods to a certain country but is not producing them there, according to established principles, is that he will not be able to prove genuine use of his trade mark, in a cancellation action or in opposition proceedings. Therefore, 5 years after the application of the trade mark, and after the expiry of the grace period, use of the registered trade mark may become vulnerable and be successfully attacked by third parties. Since there is no case law yet on this issue, it is still uncertain whether such use

54 BGer. 4A.3/2006 decision of the Supreme Court of 18 May 2006, E. 2.5—Fischmanufaktur Deutsche See (fig.).

55 BGE 124 II 398, p. 402, E. 3 b—Goron; BGE 104 IV 140, p. 144, E. 3b—Du Valais or BGE 72 II 380, p.386, E. 3—Louis Mauler.

56 BGE 93 I 570, p. 573, E. 6—Trafalgar.

57 Christoph Willi, *Markenschutzgesetz, Kommentar*, N 2 to Art. 49, p. 365.

58 J David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, p. 282, C Willi, *Markenschutzgesetz, Kommentar*, N 42 to Art. 47, p. 361, L David, *Markenschutzgesetz Muster- und Modellgesetz*, 2nd edn, Basel 1999, N 34–35 to Art. 47, p. 301 with further references as to the necessity and development of this Article.

59 L David, *Markenschutzgesetz Muster- und Modellgesetz*, 2nd edn, Basel 1999, N 34 to Art. 47.

60 RKGE decision of 15 March 2006, *INGRES News 5/06*, p. 2—Fedex Europe First.

61 RKGE decision of 15 March 2006, *INGRES News 5/06*, p. 2—Fedex Europe First.

62 L David, *Markenschutzgesetz Muster- und Modellgesetz*, 2nd edn, Basel 1999, N 2 to Art. 64, p. 388.

63 See in this regard J David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, p. 287.

amounts to genuine non-use, but it is likely that the courts will decide this way.

Lastly, everyone who is or is likely to be the victim of an infringement of a right in an indication of origin may, pursuant to Article 55(1) of the Trade Marks Act request the judge, among others, to require the defendant to state the origin of the objects in his possession that unlawfully bear the trade mark or indication of origin. However, since the claimant in this proceeding always carries a risk of costs, such proceedings usually are avoided.

### Time to take the COLORADO trail

In light of the discussion above, it follows that the Swiss Trade Marks Office applies a strict and restrictive test as to geographical references used for marks for goods. However, whether this test corresponds to reality is doubtful. Is a trade mark Colorado for apparel really conceived of as a trade mark for apparel stemming from the USA? Or is it not more likely that Colorado, used in conjunction with apparel, suggests leisure time, hiking, or trekking clothes? What about the trade mark San Francisco 49ers: is this trade mark not, rather than suggesting the origin of clothes, an allusion in the eyes of the consumer to sports wear? And what about Alaska for beverages? Alaska is well known for its cold and hard winters. Might it therefore not be possible that customers rather perceive in the concept of Alaska a cold or refreshing beverage rather than a location in the USA? Furthermore, would it not be misleading if Colorado clothing were not manufactured in Colorado but rather in New York? While there are products which are obviously misleading if they do not originate from a designated country or region, this problem mainly pertains to appellations of origin for specific products such as wine, mineral water, or cheese and not to simple geographical indications per se.

Geographical indications should therefore be considered on a case-by-case basis. This is the practice according to the Swiss Supreme Court.<sup>64</sup> But when a trade mark application is actually filed, as soon as a geographical indication is contained, it has usually to be restricted.

To be fair, the Swiss Trade Marks Office does apply a broader test to service marks. It would not, according

to the jurisprudence, be misleading pursuant to the Trade Marks Act if a company would offer Davos boat services in Zurich. Therefore, at least in reality, the threshold of deception is lower with regard to services than to goods, which does not make sense.<sup>65</sup>

One would expect of Swiss watches that they be made in Switzerland—but would one also assume that San Francisco 49ers apparel is produced in the USA? Apparently, the German Patent Office answered this question in the negative and allowed registration of the trade marks San Francisco Forty Niners<sup>66</sup> and San Francisco 49ers<sup>67</sup> for various goods without any restrictions at all.

That the current jurisprudence of the Trade Marks Office and Supreme Court is not unquestioned is a result of the Colorado landmark decision of the former Appeals Board which was handed down on 5 May 2006 (the Appeals Board has now been abolished in favour of the newly established Administration Court). In that case, the Appeals Board held<sup>68</sup> that it was finally time to rethink the current practice of the Trade Marks Office and suggested a change of practice insofar as only in certain cases should a restriction of goods and services be needed for marks with geographical references. These cases were limited to such terms as enjoyed a 'qualified necessity of protection' which was only given in the following four cases:

1. where a mark with geographical content concerns goods grown in the soil;
2. where a mark with geographical content concerns goods or services in relation to which the relevant location enjoys a special reputation with the Swiss public;
3. where the geographical indication in the mark is listed in a bilateral or multilateral agreement on the protection of indications of origin, appellations of origin, or any other geographical indication; or
4. where the mark contains a description of a state in a form of a noun or adjective or its coat of arms, flag, or any other national emblem according to article 6ter of the Paris Convention for the Protection of Industrial Property.

The Appeals Board emphasized that many countries also excluded misleading signs from trade mark protec-

64 BGE 132 III 770, p. 772, E. 2—Colorado (fig.).

65 L David, *Markenschutzgesetz Muster- und Modellgesetz*, 2nd edn, Basel 1999, N 35 to Art. 47, p. 301. Another interpretation of this article is provided by J David Meisser and David Aschmann, *Herkunftsangaben und andere geographische Bezeichnungen*, in: *SIWR III/2*, 2nd edn, p. 282 who suggest an interpretation which must be consistent with international laws, especially Art. 10<sup>bis</sup> of the Paris Convention for the

Protection of Industrial Property of 20 March 1883. Another question is whether this behaviour amounts to an act of unfair competition.

66 German trade mark no. 2056822.

67 German trade mark no. 2082280.

68 RKGE decision of 5 May 2006, in: *Sic!* 2007, p. 204—Colorado (fig.), see also J David Meisser and Marco Bundi, *World Trade mark Law Report*, 17 October 2006.

tion but did usually not require any territorial restriction. In the case of Colorado, not even the USPTO required the applicant to do so. However, the decision was, as already mentioned, subsequently overturned by the Swiss Supreme Court which followed the restrictive line of the Trade Marks Office.<sup>69</sup> In the author's view, the proposed restriction of the Appeals Board makes much more sense since it matches reality in a better way than the antiquated interpretation of the Trade Marks Office.

Furthermore, it seems anomalous that there are various trade marks in other countries referring to different geographical indications, such as German national trade marks Luzern for various goods in class 20,<sup>70</sup> Servez-Vous AG Bern for goods in class 30,<sup>71</sup> or New York Kosmetik<sup>72</sup> without any restriction at all. Other similar examples may be found in many other countries, such as the US registrations of Swiss Espresso for goods in classes 1 and 3,<sup>73</sup> figurative mark Beautycode Switzerland<sup>74</sup> for class 25 without restriction. Finally, even the Office for Harmonization in the Internal Market allows community trade marks such as Davos<sup>75</sup> for classes 17, 18, and 25, Bern 54<sup>76</sup> covering class 21, and even Zurich<sup>77</sup> for class 12 without any restrictions at all.

This issue becomes even worse in Switzerland since, in relation to geographical indications, the Swiss Trade Marks Office does not apply its practice of entering borderline cases on to the trade marks register, since they might still be challenged after the registration by a cancellation action with the civil courts.<sup>78</sup> Thus, the

opportunity to get geographical trade marks registered without restriction of the list of goods or services becomes even smaller.<sup>79</sup> Also, decisions of foreign trade mark granting authorities which allow the trade mark without territorial restriction are usually possibly considered by the Swiss Trade Marks Office, but have usually not made any significant impact on their decision-making.<sup>80</sup>

In light of this, it is to be hoped that the Swiss Trade Marks Office reconsiders its practice and will allow signs containing geographical indications without restrictions if the name combined with the claimed goods does not suggest that the goods originate from there, associating the goods with some particular ideas such as sports, holidays, or leisure. The TRIPs Agreement, often cited by the Trade Marks Office, does not preclude the latter from entering geographical indications without restrictions into the trade marks register, since its provisions only protect certain specific geographical indications.<sup>81</sup> Finally, since there is usually not only one place of origin for many goods, but rather different places of the relevant resources and the manufacture,<sup>82</sup> it is difficult to determine one single place of origin according to the Trade Marks Act.

This author therefore suggests adoption of the Colorado decision of the former Appeals Board into the future Swiss jurisprudence, which was not only persuasive but also mirrors reality with regard to misleading geographical indications in trade marks.

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69 BGE 132 III 770—Colorado (fig.).

70 German trade mark no. 30119610.

71 German trade mark no. 936584.

72 German trade mark no. 30111535.

73 US trade mark no. 3196910.

74 US trade mark no. 3004523.

75 Community trade mark no. 003465655.

76 Community trade mark no. 004071551.

77 Community trade mark no. 003197928.

78 Guidelines in trade mark matters, issued by the Swiss Trade Marks Office, Bern 2007, cf. 3.7 at p. 60 and BGE 129 III 225, p. 229, E. 5.3—Masterpiece, where a borderline case was denied; a borderline

case was upheld for Red & White for tobacco products in BGE 103 IB 268, p. 275, E. 3b—Red & White.

79 See for this practice Guidelines in Trade Mark Matters, issued by the Swiss Trade Marks Office, Bern 2007, chapter 4, cf. 8.7.1.

80 See in these regards decision of the Supreme Court of 25 November 2004, in: Sic! 2005, 278—Firemaster.

81 See in these regards also RKG decision of 5 May 2006, in: Sic! 2007, p. 204—Colorado (fig.), where it was argued in a similar way in order to overcome the present practice.

82 J David Meisser and David Aschmann, Herkunftsangaben und andere geographische Bezeichnungen, in: *SIWR III/2*, 2nd edn, p. 173 with a very illustrative example of a pair Big Star jeans which are apparently made or processed in six different countries.