

Switzerland

Contributing firm
Meisser & Partners

Authors
J David Meisser
Partner

Marco Bundi
Legal associate

1. Legal framework

National

The basic principles for trademark protection in Switzerland are laid down in the Federal Act on the Protection of Trademarks and Geographical Indications 1992 and the Trademarks Regulation 1992, which have been repeatedly revised since. The legislation is largely in harmony with the EU First Trademark Directive (89/104/EEC).

However, Switzerland is not a member of the European Union and is thus not covered by the Community trademark regime.

The Swiss Trademarks Office (STO) has published its internal guidelines for trademark examination and its guidelines for opposition proceedings on its website at www.ige.ch. These guidelines are not legally binding, but are useful in practice, particularly in areas where the law leaves room for discretion. The latest version, comprising almost 200 pages, was published on January 1 2007 and contains several amendments, particularly in respect to the entry into force of the amended Federal Administrative Procedures Act. The amendments apply to all pending proceedings.

Since the Trademarks Act mainly grants protection against commercial use of a trademark, plaintiffs in trademark conflicts often also invoke the Federal Law against Unfair Competition 1986, which generally forbids any unfair acts, in particular deception, denigration, unnecessary reference in advertising and misleading comparisons of goods and services.

The Swiss Federal Board of Appeal for Intellectual Property, which was the relevant judicial body for adjudicating appeals, has been abolished. Article 33(e) of the amended Federal Administrative Procedures Act, which came into force on January 1 2007, provides that decisions of the STO are now appealed to the newly established Federal Administration Court.

In October 2006 the STO announced that it was to reduce trademark registration fees by more than 20%. The national trademark registration fee has been reduced from Sfr700 (€435) to Sfr550 (€340), and to Sfr450 (€280) for electronic filings. The renewal fee for 10 years remains Sfr700 (€435). Furthermore, approximately 70 individual fees have been abolished, while others have been reduced. All fee changes took effect on January 1 2007.

International

Switzerland has signed most pertinent international agreements, in particular:

- the Paris Convention for the Protection of Industrial Property (Stockholm version, ratified in 1970);
- the Nice Agreement on the International Classification of Goods and Services (adopted in 1962);
- the Madrid Agreement on the International Registration of Marks (adopted in 1892);
- the Madrid Protocol (adopted in 1997);
- the General Agreement on Tariffs and Trade/Agreement on Trade-Related Aspects of Intellectual Property Rights (adopted in 1995);
- the Trademark Law Treaty (adopted in 1997); and
- various multilateral and bilateral treaties that include clauses on the protection of trademarks and/or geographical indications.

Switzerland has not signed the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration.

2. Unregistered marks

Protection

In general, unregistered marks are not protected in Switzerland, but there is a right to continue use where a third party subsequently registers a conflicting similar trademark (Article 14 of the

Trademarks Act). However, this continued use is restricted to factual and territorial use before the trademark application and may be assigned only together with the business.

If a trademark has become well known in Switzerland according to Article *6bis* of the Paris Convention, it also enjoys protection without being registered. In addition, Article 4 of the Trademarks Act protects against the unauthorized registration of trademarks by agents or representatives, according to Article *6septies* of the Paris Convention.

Additionally, in special circumstances unregistered trademarks may enjoy protection under the Unfair Competition Act. In 1983, the Swiss Federal Court granted protection on the basis of this law to an internationally active foreign company that had no activities in Switzerland – although some of its advertisements had reached Switzerland – because its activities and advertisements in neighbouring countries suggested that it would also expand its activities to Switzerland. Building up an enterprise with the same name in Switzerland was thus construed as a misuse of competition which was forbidden under the Unfair Competition Act (BGE 109 II 483 – *Computerland*).

Use requirements

Aside from the limited exceptions mentioned above, use of an unregistered trademark in Switzerland does not establish any rights in that mark.

3. Registered marks

Ownership

Any natural or legal person from any country is entitled to apply for trademark registration in Switzerland. Pursuant to Article 42(1) of the Trademarks Act, foreign applicants must appoint a

representative domiciled in Switzerland. Normally, the applicant need not submit any evidence of its existence, such as a certificate of incorporation.

Scope of protection

The Trademarks Act allows for the registration of ordinary marks, certification marks and collective marks, which may consist of words, letters, numbers, designs, three-dimensional forms or combinations thereof. The act does not exclude the registration of colours, sounds, smells, moving images, holograms or position marks. In practice, however, it may prove difficult to define such marks in a form that can be published in the *Official Journal* and that allows them to be clearly identified.

For all such symbols, whether registrable or not, the Trademarks Act uses the general term ‘sign’. Article 2 (in accordance with Article *6quinquies* B(ii) and (iii) of the Paris Convention) excludes from registration signs that:

- belong to the public domain or are merely descriptive, unless they have acquired secondary meaning;
- are shapes that make up the technical essence of the goods or their packaging;
- are deceptive; or
- are contrary to public order, morality or the law.

Signs that are considered to belong to the public domain include:

- single characters of the Latin alphabet – but not necessarily foreign characters and combinations of at least two letters and/or numbers; the trademark ZERO was allowed as it was not descriptive for products in Classes 9, 18, 25 and 28;
- simple geometrical signs (eg, circles and rectangles) – but not necessarily combinations of these; and
- descriptive signs – for example, words that may be understood, in a national language or in English, to describe the quality, quantity,

purpose, value, geographical origin or other characteristics of the goods or services, or slogans without a distinctive element. New combinations of words that were not previously used in business may also be found descriptive. For example, the following trademarks were refused protection due to lack of distinctiveness: DISCOVERY TRAVEL + ADVENTURE CHANNEL, AVANTGARDE, ROYAL COMFORT, RAPIDCHIP for semiconductor elements, NITEVIEW for electronic and optoelectronic devices to detect obstacles, BIODERMA for biological skincare products, SMART MODULE and SMART CORE for computer hardware and software, PROROOT for dental products, FITNESS for food, JAZZ for compact discs and MASTER PIECES for financial services. These examples demonstrate that Swiss practice is more restrictive than in many other countries (eg, the United States), but is comparable to that in Germany.

On the other hand, suggestive words that raise no specific expectations, or new combinations of descriptive signs that create a distinctive general impression, may still be registered.

There are two types of non-distinctive sign:

- If a sign is indispensable to the public – for example, POSTKONTO for financial services or MARCHÉ for restaurant and food services – it may in no circumstances be registered.
- Other non-distinctive signs may acquire secondary meaning and be registered upon evidence of long use in Switzerland (usually 10 years). This period can be shortened in extraordinary circumstances, in particular where the applicant can prove extensive use or popularity through extensive media coverage. In borderline cases, opinion polls may be required to prove that the sign has acquired secondary meaning.

Names of persons and fictional characters, whether well known or not, may in principle be registered as trademarks, unless they had an extraordinary influence in their field of activity and are frequently cited for describing certain goods or services. According to the STO's guidelines, MICHAEL JACKSON would be registrable for CDs, but not MOZART. In a borderline case, STARS FOR FREE for musical entertainment was entered into the register.

Shape marks can be three-dimensional signs that are additionally applied to goods, such as the star on Mercedes-Benz cars. These marks present no special problems.

More problematic are marks that represent the shape of the goods or their packaging – one example is the shape of the basic Lego toy brick, the distinctiveness of which has been repeatedly disputed in court proceedings. In general, these marks cannot be registered if their features are merely of an aesthetic nature or determined by technical necessities.

A trademark is deceptive if it creates expectations that are not necessarily fulfilled by the goods or services it represents. As an example, the STO's guidelines refer to a Federal Court decision confirming the rejection of an application for registration of the mark GOLDEN RACE in relation to gold-plated jewellery, and explain that the mark would be acceptable for solid gold watches or jewellery. Applications for marks that suggest a specific geographical origin (eg, SAN FRANCISCO FORTY NINERS in relation to clothing) may still be registered if the list of goods is restricted to goods of the origin suggested. This topic was highly disputed in 2006. While the Board of Appeals wanted generally to allow registration of marks with a geographical element without restriction, unless there was a qualified need for protection, the Federal Court overturned this opinion and confirmed its narrower jurisprudence. As a consequence, the list of goods

for the trademark COLORADO had to be restricted to goods from the United States, and goods under the mark FISCHMANUFAKTUR DEUTSCHE SEE had to come from Germany.

A trademark may consist of distinctive and non-distinctive elements. It is sufficient that one element is distinctive, as the overall impression is decisive. No disclaimers are required for non-distinctive elements.

Signs against public order, morality or Swiss law include religious symbols and the names of prominent individuals, without their consent, such as MOHAMMED for alcoholic beverages, BUDDHA for tea, SIDDHARTA for vehicles or GEORGE W BUSH.

As a result of the above exclusions, provisionally rejected word marks are often amended into design marks. If a conflict arises some years later, the owner may then be able to submit evidence that the originally descriptive word has acquired secondary meaning in the meantime.

Finally, domain names may be registered as trademarks. Top-level domain names such as '.com' or '.ch' are not distinctive and may be registered as trademarks only in combination with a distinctive word. Following STO practice, trademarks with the '.ch' element are considered to be geographical indications and therefore are restricted to goods emanating from Switzerland, unless otherwise proven by the applicant.

4. Procedures

Searches

Since July 2006 the STO has made its trademark database available online (www.swissreg.ch). The database allows free searches on identical trademarks in specified classes and is available in English.

The STO also offers a wide range of searches in the Swiss, international and some foreign trademark registers, as well as in domain name registers and the register of Swiss firms. The official fees for searches in both the international and the Swiss registers on similar trademarks in up to five classes range from Sfr400 (€250, delivery within five to seven working days) to Sfr650 (€405, delivery within 24 hours); searches on graphic marks cost between Sfr600 (€375) and Sfr800 (€500). The STO also offers searches on trademarks that contain a certain element, on trademarks of a certain owner, on specific kinds of mark (eg, three-dimensional marks, colour marks or warranty marks) and on cancelled marks.

Examination

The STO will examine a trademark application for formalities and to check whether there are absolute grounds for refusal of registration – in particular, those discussed in section 3 above. There are, however, no substantive examinations concerning relative grounds for exclusion. These may be raised by the relevant owner. The timeframe from application to registration is usually about three to six months, depending on the STO's workload. If an express examination is requested (against an additional fee of Sfr400 or €250), the timeframe is about one month. The timeframe to record renewals, mergers and changes of name is between six and 12 weeks from filing. If the STO finds grounds for refusal, it will issue a provisional rejection and set a deadline of two months (which may be extended), within which the applicant may try to overcome the rejection.

This procedure also applies to the Swiss portions of international registrations.

Unlike many other countries, Swiss trademark applications may be amended in any way during the application process (particularly in order to overcome provisional rejections). There are no official fees for such amendments. However, in

the case of significant amendments, such as the expansion of the list of goods and services for which registration is sought, or a substantial change to the mark, the application date will change to the date on which these amendments are made.

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;
- respective international registrations covering Switzerland; and
- trademarks that are well known in Switzerland according to Article 6bis of the Paris Convention.

The deadline for filing an opposition is three months and cannot be extended. The official fee for filing an opposition is Sfr800 (€500). In relation to Swiss trademarks, the opposition period begins to run on the same day as the electronic publication in the online issue of the *Commercial Gazette*, which is available on www.shab.ch (ie, the opposition period of a trademark published on February 17 2006 ends at midnight on May 17 2006). In relation to the Swiss portions of international trademarks, the opposition period begins on the first day of the month following the month of publication by the World Intellectual Property Organization (WIPO).

Registration

At the end of the examination process, and before publication, the accepted trademark is registered for a period of 10 years. The initial application fee also covers registration and publication.

Removal from register

A trademark owner may revoke a trademark application or registration at any time.

Total or partial cancellation may also result from a successful opposition or cancellation action, or a revocation action due to non-use brought before an ordinary court.

Revocation: There is no requirement to submit evidence of use to the STO in order to maintain a trademark registration.

Trademarks that are not used, without legitimate reason, in the five years following their final registration (ie, the date on which the decision granting the registration became final) may be challenged and expunged before the civil courts on the grounds of non-use.

Under the same circumstances, in the event of opposition proceedings, a trademark applicant may claim non-use of the opponent's trademark. In such a case the STO will establish a time limit within which the opponent must submit plausible evidence of sufficient use or justify the non-use on the grounds of extraordinary circumstances. Extraordinary circumstances may include:

- severe natural disasters or wars;
- lengthy procedures for the approval of medications; or
- litigation or serious threat of litigation concerning the trademark in question.

According to a February 20 2004 decision of the Federal Court, non-use of the Swiss portion of an international trademark registration may be justified by an opposition against the foreign basic registration.

Resuming use of a long-unused trademark before a third party claims non-use will re-establish the original priority.

Invalidation: The STO may rectify errors, but it is not entitled to cancel registered trademarks on its own initiative, unless the registration is not timely renewed.

According to Section 3 of the Trademarks Act, the registry will delete a trademark registration from the register if it has been declared null and void by a final judgment. If a judgment to this effect has been issued by an arbitration court, confirmation that it is executable is also required (Article 193 of the Act on Private International Law).

Such proceedings may be brought, for example, because:

- the plaintiff missed the opposition deadline;
- an opposition was dismissed for reasons that could not be considered in the opposition proceedings (eg, contractual obligations to cancel a trademark); or
- the distinctiveness of a registered trademark is disputed.

5. Enforcement

Complexity

In the case of infringement, the owner of a registered mark may take action through opposition, by filing a cease and desist action before the civil courts or through the arbitration courts. The Trademarks Act also allows, pursuant to Articles 61 to 69, for criminal action if the trademark infringement was intentional. In aggravating circumstances (eg, infringements committed professionally) the punishment may be up to three years' imprisonment and a fine of up to Sfr100,000 (€62,000). In addition, Customs is authorized to notify trademark owners of any suspicious deliveries; in such cases, the trademark owner may request that the respective goods be withheld for up to 10 working days, during which period it may endeavour to obtain a temporary restraining order. In order to cover damages caused by potentially unjustified withholding, security must usually be posted.

In criminal proceedings it is often difficult to present sufficient evidence of intent. In civil

actions, the calculation of damages can likewise prove complex. The damages may be calculated on the basis of:

- diminution of the trademark owner's profits;
- dilution of the trademark and confusion of the public;
- costs of enforcement;
- the illegal profit made by the infringer; or
- sometimes, an adequate licence fee.

Punitive damages are not available and the sums awarded are usually low, generally ranging between Sfr1,000 and Sfr10,000.

These points aside, the enforcement of registered rights is not overly complicated. The registered trademark owner enjoys a presumption that its rights are valid. The key questions are usually the risk of confusion between the marks in question and the similarity of the goods and services claimed.

According to Swiss practice, there is some interaction between these two elements: if the marks in question are identical or very similar, there may still be a risk of confusion if the goods are not so closely related, and vice versa.

There is a risk of confusion if two trademarks create the same impression, whether phonetically, visually and/or conceptually, or if the consumer might be deceived into thinking that both products come from the same source or from related entities.

Diluted or weak trademarks (eg, marks with suggestive content) enjoy a narrower scope of protection than characteristic marks, well-known marks and trademarks that constitute part of a series of marks. The STO's guidelines cite the following decisions, among others, to illustrate these principles:

- A risk of confusion was affirmed between the trademarks MYSTERY and MYSTERE; LEPONEX and FELONEX; COOL WATER

and AQUA COOL; CLS and CIS; MINERGIE and SINNERGIE; S OLIVER and OLIVIA; KAMILLOSAN and KAMILAN; VIVA and COOP VIVA (with design); FLY AWAY and FLOTE AWAY; and GRILON and GELON. All these cases concerned consumer products, and in the last case it was emphasized that the products on both sides were identical.

- A risk of confusion was denied between the trademarks IXS and IKKS (for clothes, as short signs are easier to memorize); SNOWLIFE and SNOWLI (due to the fanciful character of the latter sign); RADION and RADOMAT (washing powder); TASMAR and TASOCAR (pharmaceuticals); TKSTECNOSOFT and TECHNISOFT (with design); and ISOVER (with design) and ISOCOVER (due to the different general impressions, the length of the words and the visual impressions). The last case demonstrates that word marks have a broader scope of protection (unless the design is also imitated). The practical conclusion is that in normal circumstances, it is better to register a word mark.

In relation to famous trademarks, Article 15 of the Trademarks Act also allows a trademark owner to take action against use in relation to any goods or services if the distinctiveness of its trademark is jeopardized, or if its reputation is exploited or affected. The owner of the prior right bears the burden of proving that its trademark was famous as of the date on which the alleged infringement began, but the courts can usually also base their judgments on publicly known facts. This happened in a Federal Court decision which allowed a claim by Nestlé based on its famous MAGGI trademark against a family website, 'maggi.ch'.

Specialized courts

There are no specialized trademark or IP courts in Switzerland, but the Trademarks Act provides that

each canton must designate one sole court for civil actions in trademark cases. This is usually the cantonal court or the commercial court. At federal level, as the Federal Board of Appeal for Intellectual Property has been abolished, the new Federal Administration Court is competent for appeals against STO decisions, in both application and opposition proceedings.

Timeframe

Opposition proceedings are usually decided in about a year or even sooner, depending on the extensions of time requested by the parties. The same applies to appeals made to the Federal Administration Court.

The opposition proceeding is administrative in nature and focuses on the question of whether there is a risk of confusion between two marks as registered. Other circumstances, such as actual use, advertisements or coexistence agreements between the parties, will not be considered. Therefore, even after confirmation by the Federal Administration Court, decisions in opposition proceedings are not final and the dispute may still be brought before the ordinary (ie, civil) courts.

A peculiarity of the Swiss legal system is that each one of the 26 cantons has its own procedural law. Accordingly, the course and rhythm of proceedings can be very different. Depending on the circumstances, it may take between one and two years to obtain a decision at first instance and a further year to obtain a second instance decision, usually from the Federal Court.

6. Ownership changes – legalization requirements

Swiss trademark applications and registrations may be assigned with or without the goodwill of the business, for all goods and services claimed,

or only for specific goods and services. The legal basis for an assignment can be inheritance, a court judgment, a compulsory auction or a written agreement. In order to have an assignment recorded, a deed of assignment is usually submitted to the STO, but other documentation, such as purchase agreements or evidence of a merger, may also be accepted. Signatures need no longer be notarized.

Assignments become immediately effective as between the parties. Third parties may still sue the registered owner until the assignment has been recorded.

As an exception, the validity of assignments (and licences) of certification marks and collective marks depend on their recordation.

In contrast to assignments, licences can also be concluded for only a part of Switzerland (as long as this is in accordance with the Antitrust Act). No specific form is required for concluding licence agreements and they may even be made orally (eg, as happens within related enterprises). However, for the purpose of recording a licence agreement with the STO (which is not compulsory), a written form is required. The main effect of recordation is that the trademark cannot be assigned to third parties without the obligations in the licence agreement. This protects the licensee.

7. Areas of overlap with related rights

Trademark rights can overlap with other rights, particularly copyright, designs, special laws on the protection of geographical indications and unfair competition law. As a consequence, a device mark with individual character in the sense of Article 2 of the Copyright Act may enjoy protection even if it is unregistered. A validly registered trademark may thus be challenged by the owner of a conflicting copyright.

The Trademarks Act grants protection only against the use of confusingly similar marks in connection with related goods and services (including advertising). Other types of use, such as comparisons with a competitor's products, imitations of trade dress and denigration, are covered by the Unfair Competition Law. In practice, both acts are often simultaneously invoked.

8. Online issues

There are no specific legal provisions on the use of trademarks on the Internet. However, the Trademarks Act and the Unfair Competition Act deal with online issues arising in connection to trademarks.

Unless a trademark is famous, the Trademarks Law allows only for proceedings against commercial use in relation to similar goods and services. The law may thus be of no assistance against mere registration of an identical or confusingly similar domain name used to advertise other goods and services.

However, in many cases the Unfair Competition Act may allow proceedings to be brought against unfair acts (including the use of a trademark in metatags). In addition, several municipalities (Montana, Lucerne and Frick) have successfully challenged domain names with the civil courts that included their geographical names, based on the Unfair Competition Law and their personal right of name.

The Umbrella Organization of Tourist Offices in the well-known Berner Oberland region also succeeded in a cancellation action brought under the Unfair Competition Law against the 'berneroberland.ch' domain name. In addition, a special law on the protection of public arms enabled the Federal Court to take action against

