

Switzerland

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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. 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), which moved offices in June 2007 (but still remains in Bern), 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 of 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.

Since January 1 2007 the Federal Administration Court is responsible for adjudicating appeals against decisions of the STO. Its decisions concerning absolute grounds for refusal may be further brought to the Swiss Supreme Court, while opposition decisions are final.

Following the fee reductions that came into effect in January 2007, on May 1 2007 the STO announced a further reduction of the trademark registration fees for electronic filing. According to the new schedule, the fee for electronic filing has been reduced from Sfr450 to Sfr350. This fee covers three classes; each further class costs an additional Sfr60 (previously Sfr100).

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.

In addition, on July 6 2007 Switzerland ratified the Singapore Treaty on the Law of Trademarks. 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 6*bis* 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 6*septies* of the Paris Convention.

In addition, 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 establishes no 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. Although previously published in the *Official Gazette of Commerce*, from July 1 2008 trademarks (along with patents and designs) will be exclusively published online at www.swissreg.ch.

For all such symbols, whether registrable or not, the Trademarks Act uses the general term 'sign'. Article 2 (in accordance with Articles 6*quinquies* 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, VUVUZELA for musical instruments, MASTERPIECE for Class 3, VOLUME UP for products to clean, treat and beautify hair (but allowed for soaps, perfumery, essential oils), GIPFELTREFFEN ('summit meeting') for organization of meetings and congresses (but allowed for other services in Class 41) or BONA for various goods in Classes 1, 2, 3 and 7. In addition, the slogan WE MAKE IDEAS WORK was not allowed for Classes 1, 17, 40 and 42. These examples demonstrate that Swiss practice is more restrictive than that of many other countries (eg, the United States), but is comparable to that of 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, the colour blue for beverages 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. In light of this, the trademark NEW WAVE was allowed for clothes.

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. Furthermore, on December 1 2007 the STO changed its practice in regard to three-dimensional trademarks with additional two-dimensional elements. Prompted by various decisions of the Superior Administrative Court, which allowed several three-dimensional trademarks, the STO now allows non-distinctive packaging or shapes of goods if additional distinctive two-dimensional elements essentially affect the overall appearance.

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. Although the STO denied the registration of the mark BELLAGIO for goods in Classes 29 and 31 (Bellagio is an Italian tourist destination near Lake Como), in contrast the Federal Administrative Court allowed the trademark on the ground that the Swiss public would know not the Italian town, but rather the BELLAGIO hotel in Las Vegas.

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 in 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 at www.shab.ch (ie, the opposition period of a trademark published on February 17 2008 ends at midnight on May 17 2008; as of July 1 2008 only online publications will be made). 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.

As a general rule, the trademark has to be used as registered. However, under Article 11(2) of the Trademarks Act, minor variations are still permissible in order to prove genuine use. As such, in 2007 the Administration Court decided

that the use of the trademarks ICEJEANS, ICEJ and ICEB did not establish genuine use of the registered mark ICE.

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.

Assuming 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 he or she 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 from Sfr1,000 to 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 from 2007 to illustrate these principles:

- A risk of confusion was affirmed between the trademarks ADIA and AIDA JOBS/ AIDA PERSONAL (all in Class 35); SWING and SWING RELAXX (both in Class 25); CHANEL and HAUTE COIFFURE CHANEL (in Classes 3 and 44 respectively; however, CHANEL was considered famous); FEEL'N LEARN and SEE'N LEARN (both in Class 16).
- A risk of confusion was denied between the trademarks ABSOLUT and ABSOLUTE POKER (since online poker parties and nightclubs were not considered similar); WEBAUTOR (fig) and WEBIATOR (WEBAUTOR was considered as a rather weak trademark for Classes 38 and 42); CHIC (fig) and LIP CHIC (both in Class 3; however, CHIC was considered as a weak trademark); LA CÔTE (fig) and COTE MAGAZINE (fig) (the trademarks were not considered similar). 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, www.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 and the new Federal Administration Court is competent to hear appeals against the STO's 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 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 depends 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 with 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 that included their geographical names before the civil courts, based on the Unfair Competition Law and their personal right of name. In a recent decision of March 3 2007 (4C.341/2005), in which the Swiss insurance company Swiss Life sued a foreign defendant from London who had registered the domain names 'la-suisse.com' and 'swiss-life.com', the Supreme Court affirmed jurisdiction over the defendant. It concluded that since the domain names contained the element 'Swiss' or 'Suisse', they were at least aimed at Switzerland and Switzerland thus constituted the place of infringement according to Article 5(3) of the Lugano Convention.

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 a domain name that incorporated its name ('bundesgericht.ch'). The courts also protected two well-known artists against the use of their respective pseudonyms in domain names ('djbobo.de' and 'hundertwasser.ch').

In several cases the courts also granted assignment of the disputed domain names to the plaintiffs ('brego.ch', 'luzern.ch', 'tonline.ch').

Disputes over domain names may also be decided and settled by a WIPO panel pursuant to the Rules of Procedure for Dispute Resolution Proceedings for '.ch' and '.li' domain names, which have been adopted by SWITCH (the '.ch' and '.li' registry). Pursuant to Paragraph 24(c) of the rules, the panellist shall grant the 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.

Therefore, not only rights to a trademark may be invoked, but also rights under the Law against Unfair Competition, rights to a name or business name. In 2007 only seven decisions were rendered by the WIPO Panel with regard to '.ch' domain names; in four cases it found for the complainant and ordered the transfer of the domain names in question.