

Switzerland

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THE RIGHT

1. What marks can be registered?

A variety of different marks can be registered, including:

- Individual marks.
- Collective marks (used by several members belonging to an association or group).
- Guarantee marks (used by a number of enterprises to certify common characteristics of certain goods or services designated with that mark, but never used by the registrant).

Each of these marks can consist of:

- Letters (at least two), words, numbers (at least two) or any combination of these.
- Three-dimensional (3-D) marks (including shapes, if they are unusual and/or unexpected). For example, the famous “smart car” and the “smart cabrio” have been accepted for registration as 3-D marks. The “smart Tower” (the showroom and sale premises for the smart car) has also been registered as a 3-D mark. However, while dishwasher tablets in their usual representation of two or three colours were rejected, a dishwasher tablet showing a small ball on the surface was accepted for registration. By contrast, in a recent decision of the Swiss Supreme Court, “tooth paste nurdles” are no longer considered to be apt for enjoying trade mark protection.
- Design marks.
- Colour combinations (at least three different colours). According to a recent decision by the Appeal Board, black and white are considered colours. Single colours can be registered on the condition that they have acquired distinctiveness or secondary meaning.
- Sound marks (if the sound can be graphically represented; melodies are accepted only if they are accompanied by words).
- Position marks (graphic representations showing the exact position of special features attached to certain goods).
- Any combination of the above.

2. What are the legal requirements for registration?

The Federal Act on Trade marks and Geographic Denominations (28 August 1992) (TA) regulates trade marks. The administrative procedure before the Swiss Federal Institute of Intellectual Property (Federal Institute) (*see box, The regulatory authority*) and domestic questions of international registration of trade marks are governed by the Ordinance on the Protection of Trade marks (23 December 1992). Since 1 January 2007, the 9th International (Nice) Classification of Goods and Services is applicable in Switzerland.

For a mark to be registrable, it must be both:

- Capable of distinguishing the goods or services of one person or company from those of another person or company (*Article 1(1), TA*).
- Inherently distinctive (*Article 2, TA*). The level of distinctiveness required is high.

Recently, the following marks have been accepted for registration:

- VitaCforte (for goods of classes 5, 16 and 32).
- PROCHECK (for medical apparatus and services).
- GLOBAL SOURCE (for integrated circuits in class 9).
- GLOBAL SOURCES (for computer software in class 9).
- CORSA (for cars in class 12).
- ZERO (for goods in classes 9, 18, 25 and 28).

Marks that have recently been rejected because they lacked distinctiveness include:

- Marché (for class 43 services).
- Niteview (for opto electronic devices for recognising obstacles).
- GlobalePost (for goods and services of classes 9, 35, 36, 38, 39, 41 and 42).
- BOYSWORLD (for clothing and entertainment).
- MICROPOR (for various filters and for pouches for vacuum cleaners).

- NETTO (for all goods and services of classes 1 to 42 of the 7th International (Nice) Classification of Goods and Services for the Purposes of the Registration of Marks).
- The colour red (for goods of classes 6, 7, 8, 9 and 20).
- FIREMASTER (for flame resistant chemicals of class 1).
- MICROBALLS (for washing and bleaching preparations of class 3).
- TeleWeb (for class 9 goods and class 38 services).

Descriptive and other non-distinctive marks can become registrable through use for the goods or services claimed; usually, ten years' use in Switzerland must be shown. Trade marks that have acquired distinctiveness through such use are published as having "acquired distinctiveness" in the *Swiss Official Gazette of Commerce*.

3. What protection exists for trade marks that are not registered?

Marks that are in use but unregistered can still be used irrespective of whether third parties register the same mark for identical or similar goods at a later stage (*Article 14, TA*). However, as soon as a third party registers a mark, the owner of the earlier unregistered mark cannot broaden the scope of his mark by using it for other goods or services that are identical or similar to the goods or services claimed under the registered mark.

Unregistered trade marks and service marks do not enjoy protection under the TA but can, under certain circumstances, be protected from infringement by the Unfair Competition Act (*19 December 1986*) (UCA).

Some recent decisions have recognised protection of an unregistered, but notoriously known mark. To be protected under Swiss law, such a mark must be known among the relevant trade channels and customers.

4. What considerations should be taken into account in choosing a mark? (Please include examples of words and terms that are unregistrable.)

Before applying for trade mark registration, owners are advised to examine the likelihood of their chosen mark being refused on absolute grounds (*see Question 6*). Marketing specialists tend often to select suggestive or descriptive marks. Experienced trade mark lawyers can assist in estimating the chances of successfully filing new marks. It should be noted that marks consisting of a distinctive element combined with a non-distinctive element (such as a descriptive word) are protected only in terms of the overall impression that the mark gives and not with regard to the descriptive word element.

The following slogans or claims were accepted for registration:

- KNOW RISK, KNOW REWARD (in class 36).

- A PASSION FOR RISK (in class 36).
- STARS FOR FREE (in classes 9 and 41).
- IT IS GOOD TO KNOW (in classes 5, 29, 30 and 32).

However, the following slogans were rejected:

- WE KEEP OUR PROMISES.
- THE BEST FOR YOU.

For more examples of recently registered and rejected marks, *see Question 2*.

The practice of the Federal Institute with respect to slogans tends to be difficult to predict and it is therefore important to argue in advance why a claim or slogan actually meets the requirements for trade mark registration.

5. Is it possible to make a pre-application search? If so, how?

To ensure that your mark is not refused on relative grounds (as a consequence of a third party opposition) (*see Question 6*), it is recommended that searches in relevant registers are carried out, in particular:

- The Swiss Trademark Register.
- The World Intellectual Property Organisation (WIPO) Register, which sets out those marks that have been registered in accordance with the WIPO Madrid Agreement Concerning the International Registration of Marks 1891 (Madrid Agreement) and the WIPO Protocol Relating to the Madrid Agreement 1989.
- Domain name registers.
- Company name registers.

Trade mark lawyers usually carry out these searches. It is not yet possible to conduct trade mark searches of the Federal Institute and WIPO registers via the internet. However, it is possible to search the TLD.ch domain name registry on the internet at www.nic.ch. A particular mark that is registered in the Swiss or the WIPO registers can be found via internet searches if the registration number is known.

6. When the regulator is reviewing an application:

- What factors are taken into account?
 - On what grounds can an application be refused?
 - Can third parties object? If so, how, on what grounds and when?
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Factors to be taken into account

The application must fulfil all formal requirements. In addition,

the mark cannot be descriptive, deceptive or laudatory. It must meet the necessary degree of inherent registrability. Applications can be refused on formal and/or absolute grounds but not on relative grounds (that is, the existence of earlier third party rights) (see below, *Grounds for refusal* and *Question 2*).

Grounds for refusal

Once an application for trade mark registration has been filed, it is examined by the Federal Institute, which can only refuse an application on absolute grounds. A sign will be refused on these grounds if it:

- Lacks distinctiveness.
- Is misleading.
- Is contrary to public policy, morality or law.

Relative grounds (as defined in Article 3(1) of the TA) are not taken into consideration during the examination process. It is, therefore, possible for identical marks to have been registered for identical goods. It is up to the owner of the earlier mark to decide whether to take steps against the owner of the later mark.

Third party objections

After a mark has been registered, it is published in the *Swiss Official Gazette of Commerce*. Any owner of prior trade mark rights can file an opposition to the registered mark within three months of the publication date. The owner of an earlier mark (a registered mark or a notoriously known mark for specific goods or services) can claim better rights in relation to the new registration as long as the claim is based on relative grounds. If an opposition is based on the notoriety of a mark, this must be proven when the opposition is filed. Only on rare occasions does the Federal Institute acknowledge the notoriety of a mark.

Oppositions must not be based on the fame of a mark if the specifications of the goods or services in question are not identical or similar.

Oppositions are filed with and determined by the Federal Institute. A separate opposition must be filed for each mark. A decision by the Federal Institute can be appealed to the Federal Administrative Court, which is the final body to decide on opposition procedures. If either party does not accept the Board's decision, a civil court action can be commenced. The civil court's decision can be appealed to the Swiss Federal Tribunal.

MAINTAINING A TRADE MARK

7. Under what circumstances can a trade mark registration be invalidated, revoked or cancelled?

Trade marks must either be used in Switzerland or used as export marks within five years of the end of the opposition period (or the end of the opposition procedure, if an opposition was filed) (*Article 11(1), TA*).

If a mark is not used until after the five-year period for use has expired, its protection will become valid retroactively from the original priority date, subject to the condition that, in the meantime, no third party has claimed non-use of the older mark (*Article 12(2), TA*).

It is advisable to label a trade mark with “®” to avoid it becoming diluted or common property (that is, generic). Swiss trade mark owners can ask the editors, publishers or distributors of dictionaries and encyclopedias containing their marks to label them with “®”. If this cannot be done, owners can ask for a corresponding note to be included in reprint (*Article 16, TA*).

8. On what grounds can a trade mark owner bring an action for infringement?

The rights of a trade mark owner are infringed if a mark or sign that is identical or confusingly similar to the owner's registered mark is used in respect of identical or similar goods or services, without the owner's consent.

9. What is the procedure for bringing an action?

A claimant has the choice of filing a civil action in (*Article 25, Swiss Federal Act on Jurisdiction (24 March 2000)*):

- His own domicile.
- The defendant's domicile.
- The place where the infringing acts were committed.
- The place where the infringing acts had an effect.

The court in which the action should be brought is appointed by the cantons. There is only one competent court at each cantonal level (*Article 58(3), TA*). A judgment of the cantonal court can be appealed to the Swiss Federal Tribunal.

Criminal actions

The TA sets stiff penalties for counterfeiting in its penal provisions (*Articles 61 to 69*). Penalties include imprisonment for up to five years and fines of CHF100,000 (about US\$79,900). Criminal investigations are instigated by the injured party, except where an infringer acts in trade (in which case, the infringer is prosecuted *ex officio*).

Administrative measures

An owner can request assistance from the customs authorities by filing a formal application (*Article 71, TA*). If an application is filed and infringing goods are seized at the border, the owner must ask a competent court to issue a precautionary measure upholding the seizure of the infringing goods. This order must be issued within ten working days (extendable by a further ten working days) (*Article 72(2 and 2bis), TA*). If precautionary measures are not ordered or if they prove to be unjustified in a final

judgment, the trade mark owner may be liable to the importer of the goods in question (*Article 72(3), TA*).

10. What defences are available to the alleged infringer?

The main defences pleaded in trade mark infringement cases include:

- The mark is not identical to the prior registration.
- The mark is not confusingly similar.
- The defendant's goods are different from those protected by the prior registration.
- The prior registration is common property and was registered by mistake.

As to the use of the mark, a defendant may claim that:

- The prior mark has not been used by its owner for his goods and services within the five-year grace period.
- He has already used the mark for goods or services before the owner's application (*Article 14(2), TA*).
- The sign has been used for private purposes only.
- The sign is lacking distinctiveness and therefore considered to be common property.
- The trade mark owner's claim is barred by the doctrine of laches (that is, the trade mark owner, knowing of the infringement, has not asserted his legal right in a timely manner and, due to the unreasonable delay, is prevented from making a claim).

11. What remedies are available if the action is successful?

If an infringement occurs, the owner can request relief in the form of (*Article 55, TA*):

- An injunction to prevent an infringement which is about to take place.
- An order to cease and desist from an infringing act.
- An order to state the origin (including names and addresses) of the providers of the goods and services unlawfully bearing the trade mark.
- Financial compensation (damages and redress). For damages, the complainant must establish the fault of the defendant (the general rules of the Swiss Code of Obligations apply).
- A surrender of profits. Under the rules on agency without authority applicable to the surrender of profits, the Federal Tribunal recently decided that proof of fault on the defendant's side is required.

THE REGULATORY AUTHORITY

Swiss Federal Institute of Intellectual Property (*Eidgenössisches Institut für Geistiges Eigentum*) (Federal Institute)

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Main area of responsibility. The Federal Institute is responsible for the registration of patents, designs, semi-conductors, trade marks, trade mark licences and pledges. (See website above for full details.)

Contact for queries. info@ipi.ch

Guidance on trade mark application procedure. www.ige.ch

EXPLOITING A TRADE MARK

12. Is it possible to assign trade marks? If so, how?

A registered mark is a property right vested in its owner. This right can be assigned, licensed or be the subject of other business transactions.

Swiss trade marks can be wholly or partially assigned (that is, for all or part of the goods or services in relation to which the mark is registered) (*Article 17, TA*).

13. Are assignments of trade marks subject to any formality requirements on the part of the assignor and/or assignee? If so, please provide brief details.

The assignment must be in writing to be valid. It is only valid against third parties acquiring a mark in good faith if it has been registered with the Federal Institute. It is, therefore, advisable to register the assignment as soon as possible.

In the absence of any agreement to the contrary, the assignment of a company includes the assignment of its marks (*Article 17(4), TA*). The assignment of a trade mark is not contingent on the simultaneous transfer of the industrial facilities relating to the area where the mark was previously used.

14. Is it possible to license trade marks? If so, how?

Swiss trade marks can be wholly or partially licensed for use in a part, or the whole, of Switzerland (*Article 18, TA*). Both the

licensor and the licensee can ask for the licence to be registered with the Federal Institute. By registering it, the licence becomes valid against third parties acquiring the mark.

There are no other formal requirements as to the form that the licence should take. In addition, there is no requirement to license the know-how related to the goods or services protected by the trade mark. In the rare cases where licensing can lead to customer confusion (for example, if goods differing in quality are offered under the same brand in the market place), the UCA, and in particular its provision on misleading advertising, may apply (*Article 3(b), UCA*).

15. Are licences of trade marks subject to any formality requirements on the part of the licensor and/or licensee? If so, please provide brief details.

Basically, licences of trade marks are not subject to any requirements neither on the part of the licensor nor on the part of the licensee. However, it is strongly recommended to have a licence contract in the form of a written instrument. In addition, it is advisable for a licensee to register the licence at the Federal Institute, as it is only valid against third parties acquiring a mark in good faith if the licence has been registered.

16. Can trade marks be used as security? If so, what conditions and/or formalities are they subject to?

A Swiss trade mark can also be the subject of (*Article 19, TA*):

- Usufruct (that is, the legal right to use and derive profit from property that belongs to another person, as long as the property is not damaged).
- A lien.
- An execution measure.

Usufruct and the lien are valid against third parties acquiring a mark in good faith only if they have been registered with the Federal Institute.

INTERFACE WITH OTHER AREAS OF LAW

17. To what extent do competition laws affect trade marks?

The interaction between intellectual property (IP) and competition laws is regulated by the Federal Act on Cartels (*1 July 1996*)

(Acart). Article 3.2 of the Acart provides that the Acart does not apply to competitive effects exclusively resulting from the legislation on IP. However, after an amendment on 1 April 2004, the Acart now applies to any import restrictions based on IP laws. This new provision is mainly aimed at parallel imports of IP-protected goods. Since, as a matter of principle, parallel imports of trade mark protected goods are permissible, this amendment is not expected to have a major impact in the field of trade mark law.

Moreover, vertical agreements (such as certain types of trade mark licence agreements) are subject to Article 5.4 of the Acart, under which it is presumed that price-fixing and exclusive allocation of territories (with exceptions) eliminate effective competition.

The rules on vertical agreements are principally in line with Regulation (EC) No. 2790/99 on the application of Article 81(3) of the EC Treaty to categories of vertical agreements and concerted practices.

18. To what extent do advertising laws affect trade marks?

The general rules on advertising are set out in UCA, particularly Article 3, according to which unfair advertising and selling methods are deemed to be illegal. Except for these general rules, the use of trade marks in advertising is also subject to a number of sector-specific regulations, such as the respective rules in the food, financial services, pharmaceutical, watches and tobacco industries. These rules must be taken into account when launching a trade mark related advertising campaign.

PROPOSALS FOR REFORM

19. Please briefly summarise any proposals for reform.

There are currently no proposals for reform of the trade mark related legislation. However, it should be noted that the Federal Institute revised its guidelines for the examination of trade marks. The amended version became effective on 1 January 2007, and can be found on the Federal Institute's website (*see box, The regulatory authority*).

For an overview of other essential IPRs, see table, Protection and enforcement of the essential IPRs: Switzerland.

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