



Dr. Jeannette Wibmer

Trademarks in Switzerland: Registrations and settling of disputes in and out of court

Jeannette Wibmer, Attorney-at-Law and Partner of Birgelen Wehrli Attorneys, Zurich, discusses the quality and effectiveness of the economic and trademark law framework in Switzerland with position its jurisdiction as internationally attractive also for the settling of global trademark disputes in and out of court in Switzerland.

Having only a small domestic market, the Swiss economy traditionally and successfully thinks globally with regard to trademark protection and enforcement. As a consequence, Switzerland has adopted all important international treaties relevant to trademarks, including the Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPS'), the Paris Convention for the Protection of Industrial Property ('Paris Convention'), the Madrid Agreement and Protocol Concerning the International Registration of Trademarks ('Madrid Union'), the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks ('Nice Classification') and the Trademark Law Treaty ('TLT').

1. Swiss economic and legal framework for trademarks in Switzerland

Despite Switzerland's small size as a country, the Swiss Intellectual Property Office ('IPI'), for example, came fifth in 2016 as office of origin of international trademark registrations under the WIPO statistics for the Madrid Union among all its member states and regions (after the European Union, the United States, Germany and France), and sixth as designated country in international trademark applications originating abroad (after China, the European Union, the United States, the Russian Federation and Japan).

There are multiple reasons for the above: apart from Switzerland's notorious economic strength as a world top 20 national economy, the Swiss IPI offers a very fast, competent, and efficient trademark registration procedure.

With the payment of a small additional express trademark registration fee of CHF 400.-- only, it is usually possible to have a new national Swiss trademark application registered within four to six weeks upon filing.

Moreover, a Swiss trademark registration or successful designation of Switzerland in your international trademark application under the Madrid Union is inevitable if you wish to monopolize your trademark in Switzerland.

Unlike various other important jurisdictions, such as the United Kingdom and Germany, Switzerland does not have a so-called 'common law trademark' right which can exist irrespective of a registration in the trademark registry here.

Résumé

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She advises corporate clients and entrepreneurs, mainly in the pharmaceutical, life science, IT, VR, AR, micro- and nanotechnology, cryptocurrency as well as other high tech fields, in particular regarding the commercialization of innovative developments through joint ventures, technology transfer arrangements, licensing, distribution, franchising and other alliances based on comprehensive strategic IP development, protection, marketing and enforcement concepts as well as venture capital and growth financings, including IP due diligence examinations.

2. Necessity of trademark registrations and monitoring in Switzerland

Quite to the contrary, only trademarks which are either famous or at least well-known in Switzerland benefit from a special protection regime irrespective of a trademark registration. The first under the well established so-called ‘Coca Cola’ practice – which is also codified in the Swiss Federal Act on the Protection of Trademarks and Indications of Origin (‘Trademark Protection Act’) – the second under Article 6bis Paris Convention and the Swiss Unfair Competition Act, provided that they have acquired both distinctiveness through use and, on top, significant goodwill within the Swiss market. Apart from such special cases, usually only trademarks registered here as such are protected against counterfeiting and may be enforced against younger trademark registrations in Switzerland.

It merits to be stressed in the respect that the Swiss IPI only examines so-called absolute rights of trademark protection refusal (which e.g. exist for generic, purely descriptive, promotional or deceptive signs in Switzerland) ex officio within this Swiss registration procedure, however not prior trademark rights of third parties (i.e. so-called relative rights of refusal). Unlike for European Union trademarks, owners of possibly similar or identical prior registered trademark are not officially alerted by the Swiss IPI of any new Swiss trademark applications in a new international trademark application under the Madrid Union.

Thus, it is paramount for owners of trademarks that are valuable in Switzerland to constantly monitor new Swiss trademark applications as well as designations of Switzerland under the Madrid Union. Upon application, Swiss trademarks are officially published in the public Swiss IPI database www.swissreg.ch, where you can do searches for them and their status – this is also available over the Internet from abroad. The WIPO likewise publishes new registrations in the ‘Romarin’ database. It is customary to delegate this monitoring task to specialized trademark service providers with a view to avoid any oversights. Trademark owners will then be able to start opposition proceedings against new Swiss national trademark registrations or new designations of Switzerland under the Madrid Union in time (see below, Point 3)

On an international level, you may also wish to note that the Swiss Federal Customs Administration is authorized to notify any trademark right holder if it suspects that any imminent import, transit, or export of goods would infringe such trademark right holder’s rights in Switzerland. To that effect, a trademark right holder may file a written application for assistance to the Swiss Federal Customs Administration. Upon notification of any import, transit or export, the trademark right holder can then apply for customs clearance to be refused if it suspects that the affected goods would infringe its trademark rights in Switzerland. If the Customs Administration withholds goods based on such requests, the trademark right holder may then submit an application within 10 days to the competent judge requesting preliminary seizure and other precautionary measures to be taken (see below, Point 4).



3. Opposition proceedings against new trademark registrations in Switzerland

If a Swiss trademark registration by a third party, which is identical or very similar to your prior Swiss trademark is published on www.swissreg.ch, you can submit a written opposition against it to the Swiss IPI within three months of its publication. For international trademark registrations under the Madrid Union with Switzerland as designated country, this period does not begin until the first day of the month following the publication by WIPO. The official opposition fee of CHF 800.-- must also be paid to the Swiss IPI within these deadlines.

Such opposition proceedings are a simple, comparatively inexpensive, and fast trademark dispute resolution procedure in Switzerland. Depending on the circumstances of the particular case, the parties involved exchange one or two briefs as to the following aspects:

- 1) Whether the signs registered as trademarks may be confused,
- 2) Whether the conflicting products and services for which they are protected are identical or similar and
- 3) Whether there exists, taking into account all circumstances of the particular case, a risk of confusion for the targeted customers in Switzerland.

The challenged younger trademark owner may also claim, that the prior trademark right of its opponent has not been used within Switzerland for the past five years. In addition, an interested younger trademark owner may – since 1 January 2017 – also proactively lodge a non-use revocation action before the Swiss IPI.

The submitting of such a written opposition or a non-use revocation action and the related exchange of briefs then also often offers the involved parties an opportunity to get in touch with each other out of court with a view to negotiate a mutual cease and desist agreement. In such a contractual settlement agreement, they can mutually delimit their areas of business interests with the goal of a mutually prosperous co-existence of their conflicting trademarks in the future. To foster such an applicable settlement, the Swiss IPI is, upon mutual consent by both parties (which can any time be withdrawn by either party), willing to stay the opposition proceedings for as long as the parties are negotiating a settlement and consenting to stay. If they reach a settlement and the Swiss IPI does not have to decide on the opposition or non-use revocation action, the Swiss IPI may then even reduce its official fees up to 50%.

In case no settlement can be reached and the Swiss IPI’s decision is made, an appeal against it may be submitted to the Swiss Federal Administrative Court within 30 days. This court’s opposition decision then is final. All Swiss opposition decisions, and all official revocation actions, are officially published on <https://ph.ige.ch/ph/> and on www.bger.ch.

4. Court and arbitration proceedings for trademark infringements in Switzerland

The trademark right holder of a Swiss trademark has the exclusive right to use its trademark to identify the goods or services for which it is registered. Any person whose trademark is infringed, or under threat of infringement, may bring an action before the competent Swiss courts. These are – in international trademark disputes involving at least one foreign party – either at the Swiss place of incorporation, at the address of the infringer, or where the trademark infringement took place or had its effect in Switzerland, i.e. where a seizing customs authority is located.

Civil litigation, and therefore trademark infringement proceedings, are adjudicated by the cantonal courts in the 26 Swiss cantons which are competent to hear all sorts of trademark disputes, including disputes concerning trademark infringement, nullity, ownership,

licensing and transfer of rights, provided there exists Swiss jurisdiction. For declaratory actions, the plaintiff may file suit only before the court at the domicile of the defendant or, if the defendant has no domicile in Switzerland, at the registered office of its representative. If the defendant has no representative in Switzerland, the plaintiff must sue at the seat of the Swiss IPI in Berne where an infringing younger trademark is registered.

Most cantons have designated their higher court as the sole cantonal instance for such trademark disputes. However, four larger cantons (Argovia, Berne, Saint Gall and Zurich) submit trademark-related disputes to their cantonal Commercial Courts. In the absence of US style pre-trial discovery, jury trials, cross-examination of witnesses, and other typically US style features or a UK style distinction between solicitors and barristers, the Swiss court and bar systems promote a rather expedited and cost efficient trademark litigation.

Infringements are – as with opposition proceedings – again uses of an identical or similar sign for identical or similar goods or services resulting, depending on all circumstances of the particular case, in a likelihood of confusion for the targeted Swiss customer. The infringing mark must generally be used in commerce and as a trademark, and not only in a descriptive or decorative way. The exclusive licensee of a trademark may bring a separate action before the competent court, irrespective of whether or not the license has been registered in the Swiss trademark registry www.swissreg.ch. The scope of protection of a famous trademark under the above-mentioned Coca Cola practice is enhanced in Switzerland, as it is not limited to the goods and services claimed in the respective trademark registration.

Moreover, Swiss law protects unregistered marks to the extent that they are well known within the meaning of Article 6bis of the Paris Convention here.

Swiss law does not specifically provide for mediation and arbitration with respect to trademark infringements. However, certain courts apply meditation techniques in the course of trademark litigation. For instance, the Commercial Court of Zurich routinely summons both parties after the first exchange of briefs to a so-called ‘conciliatory settlement hearing’ (Referentenaudienz). The judge presents his or her preliminary assessment of the facts and legal merits of the case and then actively works in a hands-on managerial style to amicably solve the dispute between the parties. Thus, it is paramount for each party to be as convincing as possible in its first brief and to include all relevant information, arguments, and written evidence. This further helps to streamline the process and focus on the real issues. Swiss Commercial Courts finally also accept evidence, however not briefs, in English, which also makes them suitable for international trademark disputes.

In addition, also arbitration may be used for disputes over trademarks registered in Switzerland. The decision of the arbitration tribunal, such as e.g. the cancellation of a trademark, will – like in the United States and unlike in many other countries – also be recognized and enforced by the Swiss IPI. Nevertheless, trademark-related arbitrations occur most frequently with respect to trademark license and co-existence agreements, which include arbitration clauses, however not so often in relation to trademark registrations as such.

Trademark decisions of the cantonal courts can be appealed only once to the Swiss Federal Supreme Court, which does, however, not allow for a full review of the case. Factual issues can only be reviewed if the previous instance relied on facts, which are obviously wrong. New evidence is only admissible if the lower instance based its decision on findings, which make it necessary to introduce such new facts and evidence on appeal. The decisions of the Swiss Federal Supreme Court are final and published on www.bger.ch.