

Apple lost against the trademark “Tick Different” of Swatch

In a decision of March 15, 2019 (B-5334/2016), the Federal Administrative Court of Switzerland dismissed the appeal of Apple against an opposition decision recognizing Swatch’s trademark “Tick Different” as valid despite Apple’s earlier mark “Think Different”.

Legal framework

In accordance with Article 3 Alinea 1 of the Swiss Trade Mark Protection Act, are excluded from trademark protection the signs which are a/ identical to an earlier trademark and intended for the same goods or services; b/ identical to an earlier trademark and intended for similar goods or services such that a likelihood of confusion results; c/similar to an earlier trademark and intended for the same or similar goods or services such that a likelihood of confusion results.

Under Alinea 2 of the same article, an earlier trademark is a/ a filed or registered trademark that gives rise to a right of priority under this Act; b/ a trademark that is well known in Switzerland within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property of March 20, 1883 at the time of filing the sign.

Facts

- On July 16, 2015, Swatch applied to register the mark “Tick Different” in Class 14 covering notably watches.
- This trademark was opposed by Apple on the basis of its unregistered trademark “Think Different”. Apple based its opposition on the alleged well-known character of its trademark for watches.
- On June 30, 2016, the Swiss Federal Institute of Intellectual Property dismissed the opposition on the ground that Apple had failed to evidence that its trademark enjoys reputation in Switzerland.
- This decision was appealed by Apple to the Federal Administrative Court.

Analysis

The Court upheld the decision and sided with Swatch.

Firstly, the judges had to consider whether the first requirement of having a foreign protected trademark was met. In this respect, Apple could count on the use of their trademark in the US where so-called "common law" unregistered trademarks benefit from protection based on use. Easy, one might think, but not so. The use was to take place 1/for identical or similar goods to those designated in Swatch's trademark, 2/at a time preceding the filing thereof and 3/still occurring then.

And that was the hard part for Apple. They did not use their slogan for watches, but computers, and furthermore stopped using it in 2002. Hence, Apple could not rely on common law rights in Class 14.

As for the well-known character, the Court found that Apple did not demonstrate the high level of public awareness for this slogan in Switzerland. It was notably held that in the absence of use of the slogan for more than a decade, it was no longer well known by the Swiss public.

Key learnings

By comparing the marks at issue, it is likely that "Think Different" and "Tick Different" would be found similar in light of their high resemblance from a visual and phonetic perspective. But, and this is an important point, Apple did not own a prior trademark in Class 14 in Switzerland. If they had, they would have been in a much better position to prevail in the opposition. For highly valuable brand assets, even if not used anymore, protecting them for all current and future product lines could turn into a powerful competitive advantage. On February 24, 2016, Apple filed the trademark in Class 14 and several other classes. Still, it was too late in this matter. Competitive markets are a race against the clock and the first to protect the trademark is most often the winner. A visionary and early protection strategy is crucial.

Interestingly, Apple holds a Swiss trademark "Think Different" in Class 9 dating back to 1999 which they did not use. It can be assumed that they did not want to expose their trademark to a possible counterclaim for lack of use.

This decision is also a helpful reminder for all brand owners to use their brands consistently and discontinuously. It illustrates the well-known rule "Use it or lose it". Used or not, it is always safer to keep track of proofs of use, and even to obtain pre-emptive evidence in order to anticipate future offensive and defensive scenarios. In the subject case, it would have proved useful to Apple to conduct and submit a market survey in Switzerland showing the brand recognition of their slogan still in 2015.

Even for very popular brands, solid evidence of use is needed to keep the trademark rights valid. MacDonald's recently went through a similar bitter experience with losing their European Union trademark "Big Mac" for failing to prove genuine use (European Union Intellectual Property Office's decision of January 11, 2019 - under appeal).

It is to be noted that Swatch also filed a Swiss trademark for their slogan in Class 9 on July 17, 2015. Apple opposed this trademark as well. The opposition is pending before the Swiss Institute.

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