

Swiss authorities relax examination practice for trademarks featuring a place name

Historically, trademarks for place names have often been refused registration in Switzerland or, if granted, only for specific goods and services restricted to their geographical origin. However, the Swiss authorities have announced significant changes regarding trademarks whose signs contain geographical indications.

Misleading signs are excluded from trademark protection (Article 2(c) of the Trademark Protection Act). Previously the risk of consumers being misled was assessed particularly strictly by the Swiss Federal Institute of Intellectual Property and the courts. Any trademark containing an indication of source had to be limited to goods and services originating from the country to which the indication refers. One example among others is the trademark LOTERIE ROMANDE (fig.), for which it was held that the mark could only designate goods of Swiss origin, the term 'romande' being an indication of source (Federal Administrative Court's decision B-5280/2018, B-5382/2018, 25 September 2020).

However, the position of the courts has recently changed with regard to services. The judges ruled that the trademark SWISS RE - WE MAKE THE WORLD MORE RESILIENT containing the indication of source 'Swiss' should not be limited (Federal Supreme Court's decision 4A_361/2020, 8 March 2021). For services, it was held that an indication of source is not misleading if the applicant makes it likely that it is accurate (Article 49(1)). Following this decision, the Swiss Institute changed its practice some months ago. The limitation was no longer required if, in the case of a Swiss indication of source, the applicant's registered office was located in Switzerland and the majority of the authorised signatories were domiciled in Switzerland, or if, in the case of a foreign indication of source, the applicant was domiciled or had its registered office in the corresponding country.

The Swiss Institute has recently decided to relax its practice further and to align its approach with those of the EUIPO and the national offices of EU countries. An indication of source is thus no longer considered misleading if its correct use is possible. Therefore, under Article 2(c), it will no longer be a prerequisite to limit goods and services to their geographical origin for trademarks containing an indication of source.

The limitation is requested for the following indications only:

- agricultural and non-agricultural protected designations of origin (PDO) and protected geographical indications (PGI) registered in Switzerland;
- Swiss cantonal wine appellations of origin;
- international registrations under the Geneva Act of the Lisbon Agreement that are not subject to a refusal by Switzerland;
- PDOs and PGIs listed in Annexes 7, 8 and 12 of the Sectoral Agreement between Switzerland and the European Community as well as geographical indications (excluding names of countries and regions) listed in bilateral agreements and in free-trade agreements between Switzerland and partner countries, insofar as these provide for an obligation to deny ex-officio registration of a geographical indication as a trademark for goods or services originating from elsewhere;
- foreign geographical indications for wines and spirits registered as PDOs, PGIs or otherwise protected in the country of origin; and
- names covered by an industry-wide ordinance.

For the above-stated indications, the limitation requirement will be based exclusively on the violation of the law in force (Article 2(d)) namely if the sign conflicts with national law or with Switzerland's commitments under international treaties.

As concerns the sign for which protection was sought, the distinctive character of these trademarks (Article 2(a)) is examined in a restrictive manner. Direct indications of source, that is precise designations of the geographical origin of a product or service (eg, names of countries) are refused registration. Indirect indications of source, in other words, those merely evocative of a known geographical name, may be distinctive. Indications of source do not include geographical names or signs that are not considered by interested parties as a reference to the source of the goods or services (Article 47(2)). Thus, the judges held that the mark BVLGARI had acquired a secondary meaning and can therefore designate jewellery products without limitation to those originating from Bulgaria (Federal Administrative Court's decision B-151/2018, 4 February 2020).

On the assessment of this criteria, the practice has also become more flexible, as of 1 August 2020. The Swiss Institute now accepts the registration of trademarks that contain a geographical name included in a bilateral agreement on the protection of indications of source under certain conditions. These trademarks are no longer considered to belong to the public domain.

It should be noted that the registration of a trademark without limitation has no effect on the use made of it. Any use of a false or misleading indication of source is prohibited (Article 47 et seq).

This new practice is subject to a public consultation, which closes on 15 November 2021. It should come into force on 1 January 2022.

It is already recommended to request the suspension of examination of trademark applications containing an indication of source, except where the indication is covered by the exceptions as noted above. For any trademark registered with a limitation, unless these exceptions apply, it may be advisable to file a new application, or a subsequent designation in Switzerland of an international trademark, without a limitation. For a new Swiss application, a request for the suspension of its examination is then worth considering.

Such trademarks would therefore be granted a broader scope of protection. This will make it easier for holders to intervene against registrations or uses of similar trademarks. In particular, the proof of use of the trademark will be eased in the event of its use being challenged in opposition proceedings or a non-use revocation action (Federal Administrative Court's decision B-2597/2020, 26 August 2021 UNIVERSAL GENEVE). It can also be of benefit to use this trademark as the basic application or registration for an international trademark.

This more liberal solution offers a clear competitive advantage for applicants and will greatly improve trademark protection in Switzerland.

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