

Federal Supreme Court cancels trademarks referring to 2022 World Cup in dispute between FIFA and Puma

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- The court found that Puma's trademarks were misleading under Article 2(c) of the Trademark Protection Act as Puma was not an official sponsor
- FIFA's trademarks were found to be descriptive and devoid of any distinctive character under Article 2(a)
- It is the first time that the court has addressed the public domain character of event marks

In a ruling dated 6 April 2022 (4A_518/2021 and 4A_526/2021), the Swiss Federal Supreme Court has held that four trademarks referring to the upcoming World Cup 2022 in Qatar must be removed from the Swiss trademark register. Among other things, the court addressed the risk of misleading the public through the registration of event marks by non-sponsors and dealt with the public domain character of such trademarks.

Background

On 2 October 2018 and 19 February 2019, respectively, Puma SE filed applications for the Swiss word marks PUMA WORLD CUP QATAR 2022 and PUMA WORLD CUP 2022 for various goods in Classes 18, 25 and 28 (including sporting goods, clothing and accessories). On 5 December 2018 the Fédération Internationale de Football Association (FIFA) filed applications for the following Swiss word and figurative marks for a wide range of goods and services:

QATAR 2⊕22

WORLD CUP 2⊗22

In May 2019 FIFA filed an action with the Commercial Court of Zurich based on trademark and unfair competition law requesting, among other things, the removal of PUMA's marks from the trademark register. In response, PUMA filed a counterclaim and requested the deletion of FIFA's marks from the trademark register. The Commercial Court of Zurich dismissed both the main action and the counterclaim, and upheld the registration of all four trademarks (HG190075-O, 31 August 2021). Both parties appealed to the Swiss Federal Supreme Court.

Federal Supreme Court Decision

The court first dealt with the issue of whether Puma's trademarks were misleading under Article 2(c) of the Trademark Protection Act on the ground that they referred to the upcoming football World Cup without Puma being an official sponsor of the event. The court assumed that Swiss consumers of sporting goods, clothing and accessories would immediately perceive the sign element 'World Cup Qatar 2022' as a reference to the football World Cup to be held in Qatar in 2022. In view of the considerable importance of football in Switzerland and the notoriously high level of interest in the World Cup, it was obvious to the court that this conclusion should also apply to the word element 'World Cup 2022'.

The court further concluded that the combination of the elements 'World Cup Qatar 2022' and 'World Cup 2022' with 'Puma' would create an expectation among the relevant public that a special relationship existed between Puma and the 2022 World Cup. The average Swiss consumer would therefore (erroneously) assume that the trademarks originated from a company that is the main sponsor of the World Cup, even though official outfitters, suppliers or sponsors are to indicate their position by adding elements such as 'FIFA' or 'sponsor'. These findings could not be overcome by Puma's argument that an indirect sponsorship could be assumed due to its support to teams or players participating in the 2022 World Cup. In conclusion, the court found that there was a risk of misleading the public in accordance with Article 2(c) of the Trademark Protection Act and ordered the Swiss Federal Institute of Intellectual Property (IPI) to cancel Puma's trademark registrations. It also remitted the case to the Commercial Court of Zurich to assess the legal claims under the unfair competition law.

The court then dealt with the counterclaim and examined whether FIFA's trademarks were descriptive and devoid of any distinctive character (Article 2(a) of the act). The court first considered that event marks were subject to the general provisions of trademark law and that lesser requirements should not be applied to these trademarks. The court then found that the combination of the venue and year of the event, or name and year of the event, would be perceived as an indication of the event taking place in the year or at the venue in question. The relevant public would understand such designation as a description of the event itself, and not as an indication of its organiser or of the origin of the products. Contrary to the Commercial Court of Zurich, the Federal Supreme Court considered that the stylisation of the zero in '2022' in the form of a football did not alter that perception, but rather reinforced the signs' descriptive character by adding a reference to the specific sport of the event in question. The court concluded that FIFA's trademarks were devoid of any inherent distinctive character and, considering that the trademarks were not yet in use, it could not be assumed that they had acquired distinctiveness. Hence, the court ordered the IPI to also cancel FIFA's trademark registrations. As a result of the central attack on FIFA's base trademarks, such cancellation also affects FIFA's international trademarks.

Comment

It is the first time that the court has addressed the public domain character of event marks. It challenges the IPI's practice of registering event marks consisting of the verbal designation of an event with the addition of rather minor graphic element(s). On the one hand, it is comprehensible that the court found that FIFA's event marks lacked any inherent distinctiveness since they do not feature any characteristic elements beyond descriptive word and figurative elements. On the other hand, there remains the question of whether the signs WORLD CUP 2022 and QATAR 2022 (regardless of any graphic element) enjoy a certain degree of distinctiveness due to secondary meaning, given their intrinsic link with FIFA's football World Cup in the mind of the average Swiss consumer.

Further, it is also comprehensible that the court qualified Puma's event marks as misleading as they have the potential to suggest a certain relationship between Puma and the World Cup, even though such relationship does not exist. However, it cannot be ruled out that Puma will sponsor FIFA's World Cup (or any other World Cup taking place in 2022) at some point, which makes a non-misleading use of the marks theoretically possible. The cancellation of PUMA's trademarks based on Article 2(c) of the Trademark Protection Act is therefore questionable. However, if a misleading character is assumed, does it only concern Puma's implied relationship with the event itself, as the court suggested, rather than a relationship with the organising body FIFA? In other words, is the 2022 World Cup in Qatar so intrinsically and notoriously linked to its organiser FIFA that Puma's trademarks may be misleading for suggesting a close relation to the event and to FIFA? This would not change the examination under Article 2(c) of the act, but recognising this would imply the distinctiveness of FIFA's trademarks under Article 2(a).

In any case, the court's message in this decision is that event marks (without distinctive additions) belong to the public domain. However, this does not imply that they can be used freely by unrelated parties - such as non-sponsors - in trademark registrations as this could mislead the public.

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