

Newsletter No.

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Swiss IP News we provide you with updates on new decisions, the relevant legislative process and other trends in the fields of intellectual property and unfair competition law from a Swiss perspective.



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BVLGARI – trademark with secondary meaning

In a recent judgement (B-151/2018, 4 February 2020), the Swiss Federal Administrative Court held that while the sign BVLGARI is a geographical reference to Bulgaria, it is nevertheless subject to trademark protection as it has acquired *secondary meaning*.

Background

In 2015 and 2017, Bulgari S.p.A. applied for the registration of two Swiss trademarks "BVLGARI VAULT" (for IT and telecommunication related goods and services in Classes 9, 38 and 42) and "BVLGARI" (for real estate and financial services in Class 36 and hotel and restaurant services in Class 43). In 2016, Bulgari S.p.A. filed the international trademark "BVLGARI", which is registered for IT and telecommunication related goods and services in Classes 9, 38 and 42, and retail, sales and trade services in Class 35, *inter alia* designating Switzerland. In November 2017, the Swiss trademark office refused protection for most of the claimed goods and services of these marks. It argued that the element BVLGARI was an insufficient modification of the French term "Bulgarie" (engl. *Bulgaria*) and the Italian term "bulgari" (engl. Bulgarian) and that it was therefore a misleading sign pursuant to Article 3(c) Swiss Trademark Act in case the claimed goods and services are not of Bulgarian origin.

Bulgari S.p.A. appealed those decisions up to the Swiss Federal Administrative Court (FAC) in early 2018. The FAC unified the procedures as they concerned the same main question, namely whether BVLGARI was an indication of origin for Bulgaria and thus misleading for any goods and services that were not of Bulgarian origin.

Decision

According to the FAC the sign BVLGARI is a geographical name referring to the country of Bulgaria. Following the established rule of experience, such a geographical name used in connection with products is in principle understood as an indication of geographic origin of these products and thus misleading for any products not originating from the respective geographic region. There are however exceptions to this principle; a non-exhaustive list of six exceptions was initially stipulated by the Swiss Federal Supreme Court in its 2002 landmark decision YUKON. One exception is set forth for a geographical name, which has acquired so-called *secondary meaning*, i.e. the geographic meaning is replaced by another meaning, which is so dominant in the perception in the marketplace that consumer deception as to the geographic origin of goods/services concerned can practically be excluded.

In its decision of 4 February 2020, the FAC held that BVLGARI has acquired *secondary meaning*. According to the FAC and in line with the view of the Swiss trademark office, BVLGARI enjoys an extraordinary degree of awareness with regard to "*soaps; perfumery, essential oils, cosmetic products, hair lotions*" (Class 3), "*sunglasses*" (Class 9), "*jewelry, watches*" (Class 14), and "*leatherware*" (Class 18), and is in connection with these goods not immediately associated with and understood in the sense of a reference to the country of Bulgaria, but – also due to the particular and omnipresent use of the letter "V" instead of the letter "U" – rather

as a reference to the company of the appellant. Different to the Swiss trademark office, the FAC does not limit the acquired *secondary meaning* of BVLGARI to the mentioned goods in Classes 3, 9, 14 and 18, but extends it also to the relevant goods and services in Classes 9, 35, 36, 38, 42 and 43, namely IT and telecommunication goods and services and real estate, financial, retail, trade, sales, hotel and restauration services.

The FAC backs this view with the argument that it is notorious that companies diversify their product range including products from entirely different fields of business; something which also BVLGARI has done over the years. In light of this, the FAC held that BVLGARI is not an indication of geographic origin and, hence, also not misleading for products which are not of Bulgarian origin. The FAC further held that BVLGARI therefore also has distinctive character. Due to its particular spelling ("V" instead of "U") BVLGARI would be subject neither to a relative nor to an absolute restriction of freedom of disposal. Since the FAC also did not find any other absolute grounds for refusal, it granted the appeal and ruled that the Swiss trademarks "BVLGARI VAULT" and "BVLGARI" are to be registered for all goods and services in question.

Comment

The result of the judgement is welcome. In particular, it is to agree with the FAC that it is difficult to imagine that consumers understand the sign BVLGARI in the sense of a reference to the country Bulgaria rather than the appellant.

As much as the decision is welcome it is also remarkable. Since the FAC confirmed the Swiss IPO's view that BVLGARI was a geographical name referring to Bulgaria the court had to resort to the exceptional case under Swiss practice where a geographical name has acquired *secondary meaning*. Particularly interesting is the fact that the FAC approved a high degree of awareness of the sign only

with regard to perfumery, sunglasses, jewelry, watches and leatherware. Nevertheless, the FAC affirmed that BVLGARI has acquired *secondary meaning* also with regard to other goods and services, such as IT and telecommunication goods and services, financial, real estate or hotel and restauration services, based on the notorious fact that companies diversify their product offerings.

Also with regard to the question whether BVLGARI is part of the public domain the decision of the FAC takes a liberal stance. According to the FAC, BVLGARI is not a geographic indication of origin because it has acquired *secondary meaning*. Based on this holding, the FAC concludes that the sign BVLGARI has also distinctive character. In other words, the FAC approves that BVLGARI has distinctive character because it has acquired *secondary meaning*. In connection with the mentioned "diversification argument" this seems to allow BVLGARI to register its trademark for any goods and services that at some point could become part of its diversified range of offered products.

This decision seems in line with a sometimes more liberal approach of Swiss courts in the registration process. In its APPLE judgment (4A_503/2018, 9 April 2019) for example, the Swiss Federal Supreme Court ruled that the understanding of the term "apple" had evolved and the sign itself had acquired distinctiveness over time and could therefore be registered as trademark even for more the peripheral goods jewelry, watches, toys and games, which are not core to Apple Inc.'s business.

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