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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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Abandonment of Strict Swiss Practice on Trademarks Incorporating Indications of Source in Sight

The Swiss Federal Institute of Intellectual Property (“IPI”) has recently communicated that it intends to relax its practice regarding the geographical limitation of the list of goods and services of trademarks incorporating indications of source. On 15 October 2021, it submitted the revised part of its guidelines affected by this amendment (see [here](#)), together with explanations (see [here](#)), for a one-month public consultation.

Background and Current Registration Practice

If the relevant public expects a geographical indication of a trademark to indicate a particular origin of the claimed goods or services, such indication is considered as an “Indication of Source” according to Article 47(1) of the Trademark Protection Act (“TmPA”). Trademarks containing an Indication of Source may be registered, provided they are not misleading (Article 2(c) TmPA). Specifically, a trademark with an Indication of Source is considered misleading if the marked goods or services do not originate from the respective place.

For decades, Switzerland advocated strengthening the protection of Indications of Source on an international level. These efforts were Switzerland’s justification for its strict practice in relation to trademarks with geographical indications. Pursuant to the IPI’s current practice (confirmed by the Swiss Federal Supreme Court), signs containing or consisting of an Indication of Source are only registered with a limitation of the list of goods and services to the concerned origin in order to exclude any – at least abstract – risk of misleading consumers. However, Switzerland has remained isolated with this approach.

Intended Changes to the Current Registration Practice

Now, the IPI has announced to relax its strict registration practice, essentially adopting the approach followed by the European Union Intellectual Property Office and the national offices of Switzerland’s neighbouring countries: a trademark containing or consisting of an Indication of Source will not be considered misleading – and hence will be registered **without** any geographical limitation of the list of goods and services – if its correct use is **possible** at the time of trademark registration. The use of an Indication of Source will only be considered incorrect and thus misleading if it is in fact used for goods or services of another origin – and this issue will be a matter for the civil and penal courts.

In any case, signs with Indications of Source that are obviously misleading (and whose correct use is excluded) will still not be registered by the IPI. This is particularly the case if a sign contains contradictory Indications of Source or if protection is sought for goods or services of a different origin.

Grounds for refusal of trademark protection for signs belonging to the public domain (Article 2(a) TmPA) are not affected by the intended change of practice. Hence, geographical

indications including Indications of Source on a stand-alone basis or without additional distinctive elements will continuously be excluded from trademark protection.

However, the requirement for limiting the list of goods and services will be retained in case of a respective legal or treaty obligation. This is particularly the case for protected Designations of Origin ("PDO") and Protected Geographical Indications ("PGI"). Non-compliant applications will be rejected pursuant to Article 2(d) TmPA.

Comment

Along with the IPI's own assessment, the current strict practice seems to be an inappropriate and disproportionate means and is therefore better abandoned. Right owners and trademark applicants would definitely benefit from a less strict regime regarding geographical indications and Indications of Source. It would not only implicate a much more limited significance of the question (with an unclear answer) of whether a geographical indication constitutes an Indication of Source. It would also omit the risk of losing a trademark for reasons of non-use because the use of a trademark claiming protection for goods of a certain origin that has been used for goods of a different origin does not preserve the rights attached to it (Article 11(1) TmPA). In addition, the abandonment of the requirement to limit the list of goods and services would significantly reduce the issuance of provisional refusals by the IPI and, hence, support an efficient examination of trademark applications.

Although the date of entry into force is still unknown, trademark applicants are advised to suspend their pending applications – including those that have already been provisionally refused. For greater trademark protection and reduced risks of losing trademark rights for reasons of non-use, it may be wise to refile trademarks containing a geographical limitation or to file trademarks that were not applied for registration due to the IPI's strict practice.

The Walder Wyss Newsletter provides comments on new developments and significant issues of Swiss law. These comments are not intended to provide legal advice. Before taking action or relying on the comments and the information given, addressees of this Newsletter should seek specific advice on the matters which concern them.

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