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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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Ripe for Protection: Swiss Court Awards Apple Trademark Protection on Content-Related Goods

The Swiss Intellectual Property Office (IPO) refused Apple's trademark registration for a depiction of an apple for sound, video, and film recordings and corresponding data carriers in class 9, deeming it descriptive of the content. Apple appealed this decision to the Federal Administrative Court, which supported the US tech giant's position, instructing the Swiss IPO to grant Apple's mark Swiss trademark protection for all claimed goods. This leading case led the Swiss IPO to reconsider its restrictive practice concerning trademarks for content-related goods. The Swiss IPO intends to bring its practice in line with the EUIPO's stance.

Background

Apple Inc. owns the below international device trademark IR-No. 1028240 for goods in class 9 which in principle is a depiction of an apple:



On 20 April 2017, the World Intellectual Property Organization notified the Swiss IPO of the subsequent designation of the above trademark for Switzerland. The Swiss IPO refused the trademark for most of the goods in class 9, namely for sound, video, and film recordings as well as for corresponding data carriers. According to the Swiss trademark office, the depiction of an apple does not qualify as a source identifier as it lacks distinctiveness. The mark merely indicates the content of the refused goods and is as

such a descriptive reference. Regarding the refused goods in class 9, the mark belongs to the public domain and thus cannot be admitted for trademark protection in Switzerland.

Apple appealed this decision of the Swiss IPO to the Federal Administrative Court. On 23 July 2023, the court sided with Apple and held that the depiction of an apple must be admitted for trademark protection in Switzerland for all goods claimed in class 9.

Decision

In Swiss trademark registration proceedings, the wording of the trademark application is decisive for trademark registration and not an intended or actual use of the trademark, as long as neither acquired distinctiveness nor notoriety etc. of the sign are asserted. Apple argued that for content-related goods only the actual context within which the sign is used in relation to the goods in question on the market will show whether the mark is perceived as descriptive of its content. Trademark protection should not be refused based on an abstract assessment of the market interest upon registration, but only if the mark is

subsequently not used as a trademark. Since at the time of examination of the trademark application it is still open what the actual context will be, the mark should be registered.

The Federal Administrative Court stated that the economic value of the goods in question, e.g., sound, video, and film recordings as well as corresponding data carriers, mainly stems from their intangible content rather than from their underlying physical components. For content-related goods it found that an abstract assessment of the market interest upon examination of the trademark application is not suitable.

The court reasoned that in the case of content-related goods, titles, headings, and ultimately also device marks are not readily perceived as a source identifier. However, almost all terms can describe or represent a content if their actual or intended use is not determined. According to the Federal Administrative Court, this hinders the purpose of trademark law in relation to content-related goods. It generally prevents the registration of trademarks for such goods and services. Thus, the specific circumstances advocate for an assessment of the trademark application based on the actual market interest.

A trademark for a product or service, which – as in the present case – is purchased primarily because of its intangible content, has "*the purpose of expressing a non-visible but essential characteristic or mode of operation and communicating it to the purchasers*". The possibilities to refer to this content are limited. The interest of the competitors regarding this content-related information function must be considered if a substantial number of competitors offer similar goods on the same subject, i.e., if there is an actual market interest which must not be hindered by the trademark and if no equally suitable alternatives are available.

The Federal Administrative Court concluded that the depiction of an apple is not typical for the sound, video, and film recordings as well as corresponding data carriers in question. The court also dismissed that a substantial number of competitors would like to keep the depiction of the apple free for the same content and that there is thus an actual market interest which must not be hindered by the trademark. Accordingly, the court found that there is no need to keep the depiction of an apple free for use by others for these specific goods.

Further, the Federal Administrative Court emphasized that trademarks for content-related goods only lack distinctiveness if the mark is a direct description of the content. Not every thematic relation which can be established between the trademark and the goods or services suffices to deny the trademark distinctiveness. Rather, the relation must be substantial and must be recognizable without any special effort of thought or imagination. Otherwise, trademark registrations for content-related goods or services would be impossible since in principle every sign can describe a possible thematic content.

In connection with the lack of the need to keep the mark free for use by others, the Federal Administrative Court held that a consumer will not perceive the depiction of an apple in relation to sound, video, and film recordings as well as corresponding data carriers as a description of the content of these goods without various mental steps.

The court concluded that the apple device does not lack distinctiveness in relation to the claimed goods. In a side note, the court stressed that if the apple device were to be used as a trademark for goods that are thematically about apples, the trademark would then lose protection.

Comment

The current practice of the Swiss IPO generally excludes signs with a reference to the possible content of goods and/or services from trademark protection.

The Federal Administrative Court therefore accurately highlighted in its leading case that the Swiss IPO's current approach obstructs the purpose of Swiss trademark law, making the registration of trademarks for content-related goods or services unattainable. To address this, the Federal Administrative Court, aligning with prior case law, adopted a more liberal stance. The court implemented a dual analysis to assess if a mark lacks distinctiveness concerning content-related goods or services. It requires a substantial connection between the mark and the disputed goods/services while also considering the competitors' need to keep the mark free for use by others. This approach harmonizes involved interests, allowing trademark registrations for such goods/services while considering competitors' interests.

The Swiss IPO did not hesitate after this leading case was handed down and intends to bring its trademark examination practice in line with the Federal Administrative Court's position. The IPO also acknowledges that its current practice on trademark registrations for content-related goods is more restrictive than the EUIPO's stance. Hence, the Swiss IPO plans to promptly release a draft of the revised practice for public feedback. The announced new practice is a welcome step towards more convergence with the EUIPO's examination 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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