July 2020

Newsletter No.

4

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.

walderwyss attorneys at law

Well-known trademarks in the context of a product's culinary origin

By Michael Isler
Dr. iur., Attorney at Law, Partner
Telephone +41 58 658 55 15
michael.isler@walderwyss.com

and Annemarie Lagger
M.A. HSG in Law, M.A. HSG in International Affairs and Governance, Attorney at Law
Telephone +41 58 658 56 88
annemarie.lagger@walderwyss.com

The Swiss Federal Administrative Court (SFAC) recently clarified (B-622/2018, 8 June 2020) that the "relevant" public, in a legal meaning, for (traditional) pastries comprises all consumers and professionals residing in Switzerland irrespective of the culinary origins of such pastries. The court deviated in part from a past decision of the Swiss Federal Supreme Court (SFSC).

Background

In 2012 the trademark 

"Sunday" (fig.) (the Opposing Trademark) was registered in Macedonia for goods in class 30 and in 2013 internationally extended for protection in the EU as well as in various other countries. Yet, the Opposing Trademark was not registered in Switzerland.

In 2016 the holder of the international trademark "Kolid Sunday (fig.)" 

applied to extend the protection of its international trademark to Switzerland (the Attacked Trademark). This international trademark also claims protection *inter alia* for goods in class 30. The owner of the Opposing Trademark (the Opponent) filed an opposition to the international trademark registration in Switzerland.

The Opponent based the opposition on Article 3 para. 2 lit. b of the Swiss Trademark Protection Act (TmPA) arguing that its Opposing Trademark was well-known in Switzerland for the pastries Baklava, Tulumba, Gurabija, Kadaifi, Vanilice and Petit Fours by consumers originating from the Balkans and Turkey within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property of 20 March 1883 at the time when the Attacked Trademark was filed for protection.

The Swiss Institute of Intellectual Property rejected the opposition stating that the relevant public for such pastries comprises all consumers residing in Switzerland and not only of consumers of a particular origin - here those originating from the Balkans and Turkey. Even though the Opposing Trademark was used in Switzerland, the Opponent could not credibly establish that its Opposing Trademark as such is well-known in Switzerland. The SFAC confirmed this decision of the lower instance upon appeal.

Decision

It being an exception to the principle of no protection without registration, the SFAC confirmed that Article 3 para. 2 lit. b TmPA, which stipulates that a well-known trademark may serve as a relative ground for a refusal of the registration of another trademark, must be interpreted restrictively, thus: First, a well-known trademark must be registered abroad. In rare cases, it will also be acceptable that the trademark is not registered in case it can be shown that it is merely used abroad if such use was sufficient for trademark protection in said country. As the Opposing Trademark was registered in Macedonia and several other countries, this test was met. Further, there must be no absolute grounds for refusal of registration in Switzerland (Article 2 TmPA), which was also no issue at hand. Eventually, the trademark must be (i) *well-known in Switzerland* at the time of the registration of the attacked trademark (ii) *by the relevant public*. These two latter criteria were then clarified by the SFAC.

The *relevant public* is identified as the part of the public that demands the goods and services claimed under the trademark and therefore, it would suffice that the

trademark is well known by this part of the public. The Opponent argued that its Opposing Trademark is used for the pastries Baklava, Tulumba, Gurabija, Kadaifi, Vanilice and Petit Fours and, thus, well-known for pastries and confectionery. The SFAC held in relation to such products that Petit Fours are widely available in groceries stores in Switzerland. As to the other products mentioned, all of them are pastries that are traditionally served with tea and coffee and all are addressed to the broad public including both consumers and professionals as well as wholesalers and distributors. In addition, not all of these products originate from the Balkans (e.g. Petit Fours). Some are, if not identical products, at least obvious variations of traditional Swiss bakery products, which would be therefore regarded as substitutes. Accordingly, consumers will be prepared to buy them regardless of their label. Against this background, the SFAC held that it was not justified to limit the relevant public to consumers originating from the Balkans and Turkey. Even if products would not have an equivalent in Swiss baking tradition, it cannot be concluded that foreign goods are bought outside their country of origin only by persons who originate from that country.

As regards the criteria of *being well-known*, it is not required to effectively use the trademark in Switzerland to acknowledge that it is well-known. On the other hand, the SFAC held that it cannot be easily assumed to be well-known if such trademark is not registered in Switzerland. It is necessary that the evidence submitted demonstrates that the trademark is well-known in Switzerland for pastries at least to the relevant public. The threshold of being considered well-known is crossed once about half of the relevant public is familiar with such trademark. Between 2006 and 2015 (the date of the international registration of the Attacked Trademark), the Opponent's exclusive distributor in Switzerland achieved total sales of approximately 1.6 million Swiss francs with these goods, which corresponds to roughly 41,000 product packages sold per year. Based upon these approximate figures the SFAC rejected the conclusion that the products are well-known, since these goods were items of everyday use. Advertisements for the claimed goods were broadcasted by channels from Serbia, Montenegro and Bosnia and Herzegovina. These channels could also be received in Switzerland. The SFAC stated that this evidence does not show that the Opposing Trademark was known above a level of more than "just known", in particular since the channels received in Switzerland only targeted the part of the population that was able to understand such foreign languages.

Comment

In 1994 the SFSC held in a leading case (BGE 120 II 144), that the trademark "Yeni Raki" was primarily directed at Turkish consumers residing in Switzerland. Accordingly, the fact that the trademark was well-known had to be established only in relation to such population as it was deemed the relevant public. However, this decision by the SFSC has to be evaluated against the backdrop that the lower instance held that the relevant public at hand were Turkish consumers residing in Switzerland, and the SFSC considered itself bound by this established fact. Now, the SFAC took the chance to clarify and add to case law as regards foreign trademarks for goods and services targeted at, and consumed by, foreign consumers in Switzerland. Specifically, the SFAC broadened the notion of relevant public for foreign goods and services pertaining to foodstuff and other products of foreign culinary origin, emphasizing that the social conditions at the time of the passing of the decision BGE 120 II 144 were different from those of today with regard to openness to foreign food and drinks. It should be noted though that the relevant public must always be determined in a normatively objective manner solely on the basis of the list of goods and services and not on the basis of the actual products or sales and advertising channels used. This method has not been consistently applied by the SFAC in its decision.