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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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## QR Code Trademark with Inset Cross Found to Be Distinctive

In its decision of 14 October 2020, the Federal Administrative Court upheld the appeal of SIX Interbrand Clearing AG and found the figurative mark featuring a QR code with an inset cross to be distinctive – taking into account an adapted disclaimer according to which the cross may not be reproduced in the colours red and white or black and white.

### Background

SIX Interbrand Clearing AG (SIX) applied for registration of a figurative trademark representing a QR code with an inset cross on a dark square for various services in classes 35, 36, 38 and 45. It added a negative colour claim according to which the inset cross may neither be reproduced in white on a red background, nor in red on a white background, nor in any other colour that causes confusion with the Swiss cross or the Red Cross. The Swiss Institute of Intellectual Property (IPI), as the lower instance, refused the application. It held that, firstly, a QR code fulfilled a technical function and did not serve the purpose of commercial communication. Secondly, the IPI held that the QR code could not be grasped by human minds due to its high complexity. Further, it stated that although a certain distinctive character could possibly be attributed to the inset cross element, such element was too small to outweigh the banality of the other sign elements. SIX appealed this decision before the Federal Administrative Court.

### Decision

The Federal Administrative Court upheld the appeal (decision no. B-2262/2018). First, it confirmed the lower instance's view that the technical conditionality of the QR code as well as the pattern of squares, which can hardly be memorised by humans, excluded the sign's ability to indicate the origin of a product or a service. Therefore, it held that the

functional part of a QR code was rightly considered to be devoid of any distinctive character. As regards the cross element in the centre of the sign, the Federal Administrative Court further confirmed the view of the lower instance that such sign element might well be distinctive for colour combinations other than a white cross on a red background or a red cross on a white background or any other confusingly similar colour combination. It clarified that this negative colour claim extended to the colour combination black and white as this would also be understood as a mere reference to Switzerland or the Red Cross instead of a reference to the services' origin. Accordingly, the court considered it justified to adapt the disclaimer so that the inadmissible black and white reproduction would not only be mentioned implicitly but also explicitly.

However, the Federal Administrative Court objected to the lower instance's interpretation that the sign was dominated by the non-distinctive parts of the sign (i.e. the QR code) and that the distinctive parts of the sign (i.e. the cross) were too small for the sign to be considered distinctive as a whole. The court held that the size of an element alone might not be decisive for the question whether such element could lead to the distinctive character of the sign as a whole. Rather, the distinctiveness must always be assessed on the basis of the sign's overall impression. In the present case, the court argued that the relevant

public was, to a certain extent, used to recognise an indication of origin in the centre of a QR code. The inset cross did not disappear in the overall impression. Hence, the court concluded that the present sign was in line with the case law on signs whose banality has been compensated by distinctive elements and considered it distinctive in the overall impression.

### **Comment**

The reasoning of the Federal Administrative Court is comprehensible. This is particularly due to the fact that the use of distinctive sign elements in the centre of QR codes seems indeed to be on the rise. Hence, such elements may well be considered as contributing to the signs' distinctiveness regardless of their limited size. However, respective registrations do not provide protection for the QR code in and of itself. Hence, trademarks featuring QR codes do not serve to prevent other market participants from using any QR code, irrespective of whether or not the centre of the code also features an additional element.

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