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6

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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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# Central Attack against Swiss Basis under the Madrid System Constitutes a Legal Interest in the Invalidity Action



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In its decision 4A\_97/2020 of 5 August 2020, the Swiss Federal Supreme Court held that a plaintiff has legal standing, or in the words of the law, an interest worthy of protection (“l’intérêt digne de protection”; “schutzwürdiges Interesse”), to file an action for declaration of invalidity against a Swiss trademark that serves as a basic registration for an international trademark registration. The Swiss Federal Supreme Court opined so despite the fact that the plaintiff did not, and does not, market any product in Switzerland under the trademark concerned. Plaintiff’s standing to sue follows from the mere fact that the basic trademark registration under the Madrid system was granted in Switzerland. If the action were not to be admitted, the court argued, the plaintiff would have no way to benefit from the principle of “central attack” provided for by the Madrid system.

## Procedural background

In March 2018, the plaintiff had filed an action for a declaratory judgement seeking the invalidity of a Swiss basic trademark registration with the Civil Court of the canton of Vaud. The contested Swiss trademark served as the basic trademark registration for numerous international trademark registrations under the Madrid system. The Civil Court of the canton of Vaud declared the plaintiff’s complaint inadmissible on the grounds that the plaintiff did not market any product with the trademark concerned in Switzerland,

concluding that the plaintiff and the defendant did not compete with one another in Switzerland. Therefore, the plaintiff would have no own “interest worthy of protection”. Consequently, the court of first instance would deny the plaintiff’s legal standing to sue. The plaintiff successfully appealed this decision before the Swiss Federal Supreme Court that referred the case back to the court of first instance for re-evaluation.

## The principle of central attack under the Madrid system

Trademark owners can secure international trademark protection, inter alia, by using the so-called Madrid system. In essence, the Madrid system (consisting of the Madrid Agreement and the Madrid Protocol) allows for the extension of a national trademark to other countries that are member states of the Madrid system. First, the basic trademark application must be filed with the competent office of a contracting state. Upon further application, the competent national office will then solicit international applications for other member states as the applicant requests. The international trademarks are dependent upon the national basic registration for a period of five years from the date of the international registration. This principle, which is a cornerstone of the Madrid system, allows for so called “central attacks” (“attaque centrale”; “Zentralangriff”), by which a plaintiff can attack the international registration (and, thus, trademark protection in a number of countries) by attacking the basic registration only.

### Legal standing

Art. 59 para. 2 let. c of the Swiss Civil Procedure Code requires, not dissimilar to other jurisdictions, a legal standing for any plaintiff, in the words of the statute a "legitimate interest" or an "interest worthy of protection" ("schutzwürdiges Interesse"; "intérêt digne de protection"). The goal is to exclude, for instance, decisions on purely hypothetical questions or on disputes between parties with no real interests in the subject matter. Furthermore, art. 52 of the Swiss Trademark Protection Act requires in the case of a declaratory judgement that the plaintiff demonstrates a "legal interest" ("intérêt juridique"; "rechtliches Interesse"). The latter requirement might bear some resemblance to the "case-or-controversy" requirement under common law systems.

### The reasoning

In the case at hand, the Swiss Federal Supreme Court left open the question of to whether the parties were competing with each other in Switzerland. Neither did the Swiss Federal Supreme Court have to decide if this point should be examined by applying either art. 59 para. 2 let. c of the Swiss Civil Procedure Code or art. 52 of the Swiss Trademark Protection Act. Irrespective of the presence or absence of competition between the parties, the court held that the mere possibility to seek cancellation or invalidation by means of a central attack under the Madrid system would cause an "interest worthy of protection" and, consequently, a legal standing for the plaintiff. As long as the plaintiff can demonstrate that it pursues a central attack within the five years period of the Madrid system, the plaintiff does have a legal standing even under the strictest interpretation of art. 59 para. 2 let. c of the Swiss Civil Procedure Code and of art. 52 of the Swiss Trademark Protection Act, independent of any other interest such as carrying on business in Switzerland.

### Comment

This decision provides a welcome clarification and removes unnecessary hurdles for filing efficiently a central attack in Switzerland. Any plaintiff, regardless of the parties' actual activities in Switzerland, can file a central attack in Switzerland, as long as it can show that the attacked registration serves as a basic registration for an international registration under the Madrid system.

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