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Germany Terminates Convention with Switzerland on Mutual Recognition of Trade Mark Use

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The "Convention between Switzerland and Germany concerning the reciprocal protection of patents, designs and trade marks, concluded on 13 April 1892" (the Convention) provides that a trade mark registered in Germany may also be used in the territory of Switzerland to preserve its rights – and vice versa. This Convention has been terminated by Germany as per 31 May 2022. The termination may have a major impact on quite a number of trade marks that are registered either in Germany or Switzerland but have only been used in the other country.

Significance of the Convention

Pursuant to art. 12 of the Swiss Trade Mark Protection Act as well as sec. 25 of the German Trade Mark Act, after the expiration of a five-year grace period, rights can only be asserted if the trade mark has been used for the goods and services it is registered for. Non-use may lead to a cancellation of the trade mark registration. In principle, only domestic use in the country, for which the trade mark is registered, is considered as right-preserving use. The Convention, however, sought to facilitate this obligation by considering the use of a trade mark in one territory also as use in the other. Although not evident from the wording of the Convention, it is recognized that reciprocal acknowledgement of use is only given if the trade mark is registered in both Switzerland and Germany.

In Swiss practice, a broad reading of the Convention prevails. In a recent decision (B-6253/2016, of July 2021, Prosegur), the Swiss Federal Administrative Court held that within the scope of the Convention, even the use of an EU trade mark in Germany is admissible in order to prove the right-preserving use of a Swiss trade mark.

Conversely, however, the use of a Swiss trade mark does not constitute use of an EU trade mark. In the context of opposition proceedings against an EU trade mark, the Court of Justice of the European Union (the ECJ) denied a right-preserving use of an international registration with a German designation, although the trade mark had been used in Switzerland (C-445/12 P of 12 December 2013, BASKAYA). According to the ECJ, the former art. 42(3) of the Community Trade Mark Regulation required use "in the Member State" which must be interpreted autonomously and independent from national laws including conventions concluded by Member States. A fortiori, the use of a Swiss trade mark would also not be considered as use of an EU trade mark "in the Union" under art. 47(2) of the EU Trade Mark Regulation.

The Testarossa-Decision

The termination of the Convention was triggered by a ruling of the ECJ (C-720/18 and C-721/18 of 22 October 2020, Testarossa) in which it declared the Convention to be incompatible with EU law. The Düsseldorf Higher Regional Court had referred to the ECJ the question whether, when examining the right-preserving use of a trade mark in Germany, use of the trade mark in Switzerland must be taken into account in accordance with the Convention. The

question arose in the context of two disputes concerning the cancellation of two trade marks owned by Ferrari SpA for lack of genuine use.

The ECJ established that, as far as the relevant art. 12(1) of the former trade mark Directive 2008/95/EC refers to genuine use of a trade mark "in the Member State concerned", it excludes the taking into consideration of use in a non-member State, such as Switzerland.

Although the ECJ saw no possibility of interpreting the Convention in conformity with EU law, it allowed the referring court to apply the Convention as long as the removal of the incompatibility was not eliminated. The ECJ subsequently emphasized that Germany was required under art. 351 of the Treaty on the Functioning of the European Union to terminate the Convention, if it cannot eliminate the incompatibility of the Convention with EU law by other means.

Termination Notice

As a consequence of this ECJ ruling and by notice of 30 April 2021, Germany eventually terminated the Convention with effect from 31 May 2022 (published in AS 2022, 156 for Switzerland and BGBl II 2022, 127 for Germany).

Outlook

From 1 June 2022 onwards, trade mark owners in Switzerland and Germany may no longer rely on the mutual recognition of use previously provided by the Convention.

The Swiss Institute for Intellectual Property has announced that it will continue to accept evidence of use of German trade marks in opposition and cancellation proceedings provided that the relevant period of use is prior to the termination date of the Convention. Evidence relating to use that occurred in Germany after 31 May 2022 will no longer be considered.

The German Patent and Trade Mark Office has not yet released a statement addressing the termination of the Convention. It thus remains to be observed, if it will continue to apply the Convention to the use of Swiss trade marks prior to 31 May 2022.

Following the expiry of the Convention, owners of trade marks covering Switzerland or Germany are strongly advised to examine whether they are using the registered trade mark in the relevant country and, should need be, prepare steps to take up use in a timely manner. Otherwise, they may be prevented from enforcing their trade marks or even face their cancellation.