

Trademarks

2020

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Kilpatrick Townsend & Stockton LLP

Lexology Getting The Deal Through is delighted to publish the sixteenth edition of *Trademarks*, which is available in print and online at www.lexology.com/gtdt.

Lexology Getting The Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique Lexology Getting The Deal Through format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Bosnia and Herzegovina, Canada, China, Croatia, Denmark, the European Union, Italy, Kosovo, Montenegro, North Macedonia, Slovenia, South Africa and Sweden.

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Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

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Contents

Angola	5	Guatemala	95
Patrícia Rodrigues RCF – Protecting Innovation SA		Marco Antonio Palacios and Hilda Monterroso Palacios & Asociados/Sercomi	
Austria	10	Honduras	102
Peter Israiloff Barger, Piso & Partner		Ricardo Anibal Mejia and Blanca Rebeca Mejia Bufete Mejia & Asociados	
Bosnia and Herzegovina	18	Italy	110
Merima Čengić-Arnaut and Selma Čustović Zivko Mijatovic & Partners		Michelle Vanzetti and Mark Bosshard Vanzetti e Associati	
Brazil	25	Japan	116
Philippe Bhering and Jiuliano Maurer Bhering Advogados		Masayuki Yamanouchi, Ai Nagaoka and Satoko Yokogawa Anderson Mori & Tomotsune	
Canada	34	Korea	123
Monique M Couture and R Nelson Godfrey Gowling WLG		Mi-Cheong Lee and So-Jung Bae Lee International IP & Law Group	
China	41	Kosovo	130
Angell Xi (Minjie) Jingtian & Gongcheng		Marija Markicevic Zivko Mijatovic & Partners	
Colombia	50	Kyrgyzstan	135
María Alejandra Pava and Juan Felipe Acosta Olarte Moure Y Asociados SAS		Omurgul Balpanova and Aisulu Chubarova ARTE Law Firm	
Croatia	57	Macao	142
Ivana Ervaćanin, Luka Jelčić and Ivana Šarlija Zivko Mijatovic & Partners		Patrícia Rodrigues RCF – Protecting Innovation SA	
Denmark	64	Malaysia	147
Christina Type Jardorf and Rasmus Torp Accura Advokatpartnerselskab		Jin Nee Wong Wong Jin Nee & Teo	
European Union	71	Malta	156
Michael Hawkins and Tobias Dolde Noerr		Steve Decesare, Sharon Xuereb and Maria Grima Camilleri Preziosi	
Germany	79	Mexico	165
Tanja Hogh Holub Beiten Burkhardt Rechtsanwaltsgesellschaft mbH		Marcela Bolland Uhthoff, Gomez Vega & Uhthoff SC	
Greece	88	Montenegro	171
Vali Sakellarides Sakellarides Law Offices		Rajka Vukcevic and Marija Savic Zivko Mijatovic & Partners	

North Macedonia	177	Slovenia	236
Aneta Indovska and Aleksandar Bogojevski Zivko Mijatovic & Partners		Petra Sever and Metka Malis Furlan Zivko Mijatovic & Partners	
Pakistan	183	South Africa	242
Ali Kabir Shah and Hanya Haroon Ali & Associates		Shamin Raghunandan, Linda Thilivhali, Jeremy Speres and John Foster Spoor & Fisher	
Peru	191	Sweden	250
María del Carmen Arana Courrejolles Estudio Colmenares & Asociados		Oscar Björkman Possne, Emma Kadri Bergström, Matilda Fridh and Sandra Torpheimer Mannheimer Swartling Advokatbyrå AB	
Portugal	200	Switzerland	258
Patrícia Rodrigues RCF – Protecting Innovation SA		Jürg Simon, Sevan Antreasyan, Adrian Wyss and David Hitz Lenz & Staehelin	
Russia	206	Taiwan	265
Vladimir Trey and Evgeny Alexandrov Gorodissky & Partners		Victor SC Lee, Crystal J Chen, Nick JC Lan, Yiling Liu and Iris LC Lin Tsai, Lee & Chen	
Saint Lucia	215	Tanzania	272
Cheryl Charmaine Goddard-Dorville Goddard-Dorville Legal		Patrick Sanga and Haika-Belinda John Macha Vemma Consult Attorneys	
Saudi Arabia	222	Turkey	277
Mohammad Jomoa and Asif Iqbal Kadasa Intellectual Property (Kadasa IP)		Ahmet Akguloglu ATG Law Firm	
Serbia	230	United States	284
Dusko Majkic Zivko Mijatovic & Partners		Theodore H Davis Jr and Olivia Maria Baratta Kilpatrick Townsend & Stockton LLP	

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LEGAL FRAMEWORK

Domestic law

- 1 | What is the primary legislation governing trademarks in your jurisdiction?

The primary legislation governing trademarks is the Federal Act on Trade Mark Protection (TmPA) and indications of source accompanied by the regulation on the Protection of Trademarks and Indications of Source (Regulation).

International law

- 2 | Which international trademark agreements has your jurisdiction signed?

Switzerland is party to:

- the Madrid Agreement and the Madrid Protocol Concerning the International Registration of Marks (together, the Madrid System);
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Agreement and Nice Classification);
- the Paris Convention for the Protection of Industrial Property (Paris Convention);
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs);
- the Trademark Law Treaty (TLT); and
- the Singapore Trademark Law Treaty (Singapore TLT).

Regulators

- 3 | Which government bodies regulate trademark law?

The Swiss Federal Institute of Intellectual Property (IPI) is the federal government's centre of competence for all issues concerning patent and trademark protection, indications of source, design protection and copyright.

REGISTRATION AND USE

Ownership of marks

- 4 | Who may apply for registration?

In general, trademark applications may be filed by any natural or legal person. However, certain restrictions apply for the registration of collective marks and geographical marks. Applications may be jointly deposited by multiple applicants, in which case a single representative must be appointed. If the applicant is not domiciled or does not have a registered office in Switzerland, an address for service in Switzerland must be designated.

Scope of trademark

- 5 | What may and may not be protected and registered as a trademark?

Any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings and capable of being represented graphically can be registered and protected as a trademark. This includes, but is not limited to, words, letters, numerals, figurative representations, three-dimensional shapes, holograms, colours, jingles, position marks, motion marks or any combination of such elements. Owing to the requirement of representability, olfactory marks as well as sound marks that cannot be represented in the form of musical notes are currently not considered registrable. Collective as well as certification marks may be registered. The purpose of the collective mark is a uniform identification of products of the members of an association.

Signs deemed to belong to the public domain (ie, owing to their descriptive character or a need to preserve availability of the sign for competitors) as well as signs that are misleading or contrary to public policy, morality or applicable law are excluded from trademark protection (absolute grounds for refusal). Furthermore, the proprietor of an earlier trademark may oppose or contest a later mark or sign that is identical to the earlier mark and intended for the same goods or services or that is identical or similar to the earlier mark and intended for the same or similar goods or services such that a likelihood of confusion results (relative grounds for refusal). The IPI will, however, not examine ex officio a trademark or sign on relative grounds for refusal.

Unregistered trademarks

- 6 | Can trademark rights be established without registration?

Trademarks protected in a foreign jurisdiction that are not registered in or for Switzerland enjoy similar protection as registered marks if they qualify as well known in Switzerland within the meaning of article 6-bis of the Paris Convention. Whereas use in Switzerland is not necessarily required for a foreign trademark to be considered as well known, protection of such marks usually necessitates evidence of significant sales or advertising activity in Switzerland over a substantial period of time.

Furthermore, the TmPA provides for a right to continued use of trademark-protected signs used prior to the filing of the trademark application. This right of prior use, which may only be assigned together with the undertaking holding the right, is limited to earlier users and to the extent of actual prior use. Moreover, it does not confer on the earlier user any trademark rights in relation to the sign at issue.

Finally, signs that are not registered as trademarks may enjoy protection under the Federal Act on Unfair Competition to the extent of their inherent or acquired distinctiveness.

Famous foreign trademarks

- 7 | Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

There is no special protection for famous foreign trademarks under Swiss law. However, the TmPA grants protection to trademarks that are well known in Switzerland within the meaning of article 6-bis of the Paris Convention. Such 'notoriously known' trademarks enjoy priority over newly registered trademarks if the owner can prove that its trademark is well known to the relevant market circles in Switzerland. Such demonstration of well-known character is normally quite difficult and requires documentation of intensive use or advertising for the mark in Switzerland whereby such use must be linked to the claimed goods and services.

The benefits of registration

- 8 | What are the benefits of registration?

Since registration of a trademark is essential for its protection, the benefits of registration cannot be overstated. According to article 13 of the TmPA, a trademark right confers on the proprietor the exclusive right to use the trademark to identify the goods or services for which it is claimed and to dispose of it.

In addition to the right to prohibit others from using a sign that is excluded from trademark protection under paragraph 1, article 3 of the TmPA (identical trademark or a confusingly similar trademark for identical or similar goods or services) the trademark holder can also request border enforcement mechanisms against unauthorised goods. Trademark litigation is concentrated at one specific court per canton; some of them are specialised commercial courts.

Filing procedure and documentation

- 9 | What documentation is needed to file a trademark application? What rules govern the representation of the mark in the application? Is electronic filing available? Are trademark searches available or required before filing? If so, what procedures and fees apply?

The filing is possible through an electronic application system (e-trademark), which guides the applicant step-by-step through the process and specifically explains how to fill in the sections. Alternatively, an application via post, fax or email is also available. If the applicant is represented, the IPI may request written power of attorney. For this reason, it is advised to enclose a power of attorney with the application. There is no need for notarisation and no need for a certificate of corporate good standing.

Registration time frame and cost

- 10 | How long does it typically take, and how much does it typically cost, to obtain a trademark registration? When does registration formally come into effect? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration?

Whereas duration of the registration procedure depends on the individual case, applications are generally examined and subsequently registered or objected to within four months after payment of the filing fee. Applications that are seemingly straightforward in terms of absolute grounds for refusal can be examined and registered within a few weeks. However, this fast-track procedure is only available for applications whose list of goods and services consists entirely of terms

accepted by the IPI's e-trademark or classification tool. Applicants may also request an expedited processing, in which case the application will be processed within one month and the remaining steps taken within two months each. If a sign meets the legal requirements, it is entered in the trademark register that is accessible online.

The total cost for the registration of an average national mark in up to three classes is approximately 1,600 Swiss francs. This includes the filing fee as well as typical attorneys' fees. The filing fee amounts to 550 Swiss francs and includes protection for up to three classes for a duration of 10 years. Additional classes may be added for a fee of 100 Swiss francs per class. The fee for expedited trademark examination is currently set at 400 Swiss francs and the national fee for an international registration amounts to 100 Swiss francs. Attorneys' fees as well as potential translation costs may, of course, vary according to the scope and complexity of the case. In any case, the duration and cost of the registration procedure may substantially increase if the IPI raises objections against the pending application.

Classification system

- 11 | What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Because Switzerland is party to the Nice Agreement, the goods and services for which the registration is sought have to be grouped according to the Nice Classification. Multi-class applications are available and result in substantial cost savings compared with multiple single-class applications (eg, the filing fee of 550 Swiss francs includes up to three classes and additional classes may be added for a fee of 100 Swiss francs per class).

Examination procedure

- 12 | What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? Are letters of consent accepted to overcome an objection based on a third-party mark? May applicants respond to rejections by the trademark office?

After filing an application, the IPI will first verify whether all necessary documents have been submitted. If the application is considered complete, the applicant will receive a certificate of filing containing the filing date and the application number. The IPI will then conduct a formal and substantive examination. Thereby, the IPI will, inter alia, examine the application with respect to absolute grounds for refusal (ie, grounds for refusal that are based on public interests). In contrast, applications will not be examined ex officio for potential conflicts with other trademarks (ie, relative grounds for refusal). If no grounds for refusal can be found, the trademark will be registered and registration will be certified and published. Since applications are not examined ex officio for potential conflicts, letters of content are not relevant in order to overcome objections based on third-party marks.

In the case of formal or substantive deficiencies, the IPI will object to the application and the applicant will be given the opportunity to remedy such deficiencies before the rejection becomes final. In order to prevent such rejection, the applicant may also modify the trademark or the list of goods and services. However, certain amendments to the application may cause the filing date to be postponed.

Use of a trademark and registration

- 13 | Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

The use of a trademark or service mark does not have to be claimed before registration is granted or issued. Hence registration is also granted if the trademark has not been used. However, the TmPA provides for a five-year grace period. When a proprietor has not used the trademark in relation to the goods or services for which it is claimed for an uninterrupted period of five years following the expiry of the opposition period with no opposition having been filed or upon conclusion of opposition proceedings, the proprietor may no longer assert the right to the trademark, unless there are proper reasons for the non-use (paragraph 1, article 12 of the TmPA).

If use of the trademark is commenced or resumed after more than five years, the right to the trademark is restored with effect from the original priority date, unless non-use of the trademark has been invoked under paragraph 1 prior to its commencement or resumption of use (paragraph 2, article 12 of the TmPA).

In the registration proceeding the IPI does not examine use (or intended use) of a trademark and there is also no subsequent proceeding with which the IPI would demand proof of use. Non-use of a trademark may, however, be claimed by an opposing party in an opposition proceeding (when the proprietor tries to prevent a new registration it will subsequently need to prove the use of the mark if the grace period has lapsed), in a cancellation proceeding according to article 35 et seq of the TmPA or in a civil action for annulment.

Markings

- 14 | What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is not mandatory. Most commonly used for marking are the symbol ® or TM. ® may only be used in case of a registered trademark. Its use for a mark which is not registered can be considered as an act of unfair competition (boasting of one's unregistered trademark as registered). There are no specific rules for the use of the symbol TM, but prevailing doctrine is of the opinion that it should be used only if at least a trademark application exists. The benefit of marking is its deterrent effect against third parties. To renounce marking can, in the case of trademarks that are close to being non-distinctive, jeopardise the legal standing of a trademark. In cases where a trademark might dilute and become generic owing to its success, the use of a ® or TM sign may help to slow down or even avoid that process.

Appealing a denied application

- 15 | Is there an appeal process if the application is denied?**

If the IPI is of the opinion that a trademark cannot be registered (eg, because of absolute grounds for refusal) it issues an objection and grants the registrant a deadline to respond (administrative procedures).

If the IPI still refuses to register a trademark after the registrant's statement, it issues an administrative order which can be appealed within 30 days before the Federal Administrative Court (judicial appellate procedures). The decision by the Federal Administrative Court can then be appealed (again within 30 days from the notification of the

decision) to the Federal Supreme Court. Such an appeal can be made either by the registrant (if the Federal Administrative Court also refuses to register the trademark) or by the IPI (if the Federal Administrative Court grants protection).

Third-party opposition

- 16 | Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

In Switzerland, a third party cannot oppose an application prior to registration but only seek cancellation of a trademark or service mark after registration. All trademark applications as well as registrations are published on the official IPI website: www.swissreg.ch.

According to the TmPA, the proprietor of an earlier trademark can file an opposition to a registration based on relative grounds for refusal (likelihood of confusion). Such an opposition must be submitted in writing to the IPI with a statement of reasons within three months (this deadline is non-extendable) of publication of the registration (article 31 of the TmPA). The opposition fee amounting to 800 Swiss francs must also be paid within this time limit. In addition to these administrative fees, an opposing party will also have to pay its attorneys' fees, which typically depend on the complexity of the case. As an average, 1,000 to 5,000 Swiss francs per submission can be expected.

After the exchange of one or more briefs, the IPI will render its opposition decision, which can then be appealed within 30 days (non-extendable) to the Federal Administrative Court, which then decides as final instance (in opposition proceedings an appeal to the Federal Supreme Court is not possible).

Duration and maintenance of registration

- 17 | How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

After registration, a trademark is protected for a period of 10 years. Afterwards, the trademark holder can continue to renew it for 10 years at a time for 700 Swiss francs. Since such renewal can be made continuously, Swiss trademark law can potentially grant indefinite rights.

The IPI will generally remind the holder when protection for its trademark is about to expire, but it is the sole responsibility of the holder to ensure the timely filing of an application for renewal.

Surrender

- 18 | What is the procedure for surrendering a trademark registration?**

The applicant or holder of a trademark is entitled at any time to withdraw the application for registration or the request cancellation of its trademark. Withdrawal or cancellation shall immediately terminate the proceedings.

Related IP rights

19 | Can trademarks be protected under other IP rights (eg, copyright, designs)?

Yes. Switzerland follows the approach of parallel application of IP laws if the respective requirements of these laws are met. If a sign (trademark) qualifies as a design in terms of the Federal Act on the Protection of Designs (DesA), it can therefore be protected as a registered design. The DesA protects the design of products or parts of products that are characterised, in particular, by the arrangement of lines, surfaces, contours or colours or by the materials used. A design is protected to the extent that it is new and has individual character.

That sign can also be protected by the Federal Act on Copyright and Related Rights (CopA) if it qualifies as a work in terms of CopA. Works are literary and artistic intellectual creations with an individual character, irrespective of their value or purpose.

Further, trademarks receive protection through the Federal Act against Unfair Competition caused by unfair and unlawful behaviour of third parties.

Trademarks online and domain names

20 | What regime governs the protection of trademarks online and domain names?

There is no specific regime that governs the protection of trademarks online and domain names. Protection exists on the basis of the generally applicable laws.

LICENSING AND ASSIGNMENT

Licences

21 | May a licence be recorded against a mark in the jurisdiction? How? Are there any benefits to doing so or detriments to not doing so? What provisions are typically included in a licensing agreement (eg, quality control clauses)?

Yes, licences may be recorded at the Trademark Registry. The specifics of a licence (exclusivity, limited range of goods or services, territorial limitations and sublicense, etc) may also be recorded. Recording of licences is an option, not an obligation. A form which is provided by the IPI can be filled in and submitted to the IPI. Validity and enforceability of licensing agreements do not depend on recording of such licences. As an exception to this rule, licences on collective trademarks are valid only if recorded in the trademark registry. The record has the effect of rendering the licence effective against subsequently acquired rights in the trademark. Therefore, the record of a licence is in general in the interest of the licensee. The request for recording of the licence may be filed by the licensor or the licensee, confirmed by a statement of the trademark owner. The licensing agreement can, but must not, be presented for the recording of a licence.

A licence agreement governs, among other things, the scope of the licence, whether the licence is limited to one territory, whether sublicenses may be granted, whether the licence is exclusive, an agreement on modification, innovation and development, training and quality control, market introduction and promotion, licence fee, liability and warranty, defence of IP rights, termination and general provisions (such as the choice of forum).

Assignment

22 | What can be assigned?

Trademarks can be assigned as such (full assignment) or only for some goods or services for which they are registered (partial assignment).

This usually includes goodwill. The business attached to a trademark must not be assigned together with the trademark. There is no obligation to include a value of consideration for goodwill in order to record the assignment of a trademark. The assignment is always valid throughout all Swiss territory.

Assignment documentation

23 | What documents are required for assignment and what form must they take? What procedures apply?

Notarisation or legalisation is not required. What is required is an assignment declaration, signed by the assignor, stating clearly who the parties are and what (trademark registrations or applications) is assigned.

Validity of assignment

24 | Must the assignment be recorded for purposes of its validity?

The agreement concluded in order to create the obligation to assign is valid in any form. The assignment itself, however, must be in writing. It is effective in relation to third parties acting in good faith only upon record in the Registry.

Security interests

25 | Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests in trademarks are recognised in Switzerland. Notarisation is not required. They must not be recorded for the purpose of validity or enforceability. The record, however, can be advantageous with a view to enforcing security interests against good-faith acquirers of a trademark in which security interests exist.

ENFORCEMENT

Trademark enforcement proceedings

26 | What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Civil legal action may be taken by a trademark owner in the case of trademark infringement by a third party. Under Swiss trademark law, only famous trademarks are eligible for protection against dilution.

Generally, each of the 26 cantons has designated a sole cantonal instance that is competent to rule on civil trademark disputes. In four cantons (Zurich, Bern, Aargau and Saint Gallen), specialised commercial courts are competent to rule on trademark matters. Any competent court may be requested to grant injunctive relief, prohibit an imminent infringement, remedy an existing infringement, require the defendant to provide information regarding infringing goods and distribution channels, award damages or order the surrendering of profits.

Criminal proceedings

The wilful infringement of a trademark right constitutes a criminal offence and is subject to a custodial sentence of up to one year or a monetary penalty (up to five years of prison if the offender acts for commercial gain). The cantonal criminal prosecution authorities handle criminal complaints and are competent to institute criminal proceedings against any alleged infringer.

Custom seizure

The Swiss customs authorities (Federal Customs Administration) are authorised to withhold infringing goods upon request of the trademark owner. Within 10 days after notification of the withholding of potentially infringing goods (extendable by another 10 days), the trademark owner must obtain an injunction by a civil court, a seizure order by a criminal prosecution authority or obtain the goods' owner to agree to the destruction of the withheld goods.

Procedural format and timing

27 | What is the format of the infringement proceeding?

Civil court proceedings

Civil infringement proceedings are governed by the Swiss Civil Procedure Code. The proceedings are initiated by lodging a written statement of claim with the competent court, containing the claimant's plea for relief, the alleged facts and the legal position as well as any documentary evidence available to the claimant. Affidavits and party-appointed expert opinions may be submitted, but are generally only considered as allegations of the submitting party. After the exchange of briefs, oral hearings may be held at the court's discretion in order to clarify the parties' positions, gather evidence or facilitate a settlement. A formal main hearing usually concludes the adversarial proceedings. Admissible evidence that the court may be requested to take includes live witness testimony, site inspections, court-appointed expert opinions as well as the questioning of the parties. Limited discovery may be granted by the court upon request (see question 31). Depending on the value in dispute, the case is decided by one or more legally qualified judges (in commercial courts, lay judges qualified in the relevant field may also be on the panel). For the time frame, see question 32.

Criminal proceedings

In the case of a criminal complaint, the cantonal criminal prosecution authorities decide whether to institute a criminal proceeding against any alleged infringer. If the gathered evidence is sufficient to bring an action, the authorities will prosecute the case in the cantonal criminal court. The injured trademark owner may participate in the proceeding as a private plaintiff.

Burden of proof

28 | What is the burden of proof to establish infringement or dilution?

In the context of civil legal proceedings, as a general rule, the burden of proof lies with the party deriving rights from an alleged fact. Generally, strict proof is the required standard of evidence that applies in the context of civil and administrative proceedings. This means that the judge must be convinced about a fact and any potential doubts must be negligible.

In the case of alleged trademark infringements, the trademark owner must prove to be the rightful owner of the trademark (in the case of registered trademarks, an excerpt from the relevant register is sufficient) and account for all relevant facts required to establish the defendant's infringing actions. In order to successfully assert dilution, the trademark owner must further provide sufficient proof of the trademark's fame. On the other hand, the defendant bears the burden of proof regarding any facts precluding the infringement of claimant's trademark, in particular the nullity of the allegedly infringed trademark. However, an exception applies if respondent asserts nullity owing to non-use of the trademark. In such case, it is sufficient for the respondent to provide prima facie evidence of non-use, such as a standard in-use search. The burden of proof regarding use sufficient to preserve the trademark rights will then be shifted to the claimant.

Standing

29 | Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Civil court proceedings

Any owner of a trademark whose right to a trademark is infringed or threatened may bring an action against the infringer. Exclusive licensees are also entitled to bring an infringement action in their own right unless this right has expressly been excluded in the licence agreement. Non-exclusive licensees may only join a proceeding that has already been initiated by the trademark owner in order to assert their damage claims.

Note that, according to the TmPA, any person with a legally protected interest may request the competent court to rule on the existence or non-existence of trademark rights. Given the generally accepted interest to keep the register free, claims for nullity of trademarks based on non-use can hence be brought against the trademark owner by practically anyone. In addition, professional, trade and consumer associations have standing to bring certain claims against guarantee and collective trademarks if a majority of their members are concerned by the matter and if, according to their by-laws, the associations' purpose includes the protection of the interest of their members or consumers.

Criminal proceedings

Criminal complaints may only be brought by the trademark owner that has been subject to a violation of its trademark rights as well as exclusive licensees. The complaint must be submitted within three months after the offender has become known to the complainant. Where the offender acts for commercial gain, he or she is prosecuted by cantonal criminal prosecution authorities ex officio.

Border enforcement and foreign activities

30 | What border enforcement measures are available to halt the import and export of infringing goods? Can activities that take place outside the country of registration support a charge of infringement or dilution?

If there is a risk that trademark infringing goods may be imported into Switzerland for both commercial and private use, border enforcement mechanisms are available. Requests for detention of infringing goods can be addressed to the Directorate General of Customs in Bern. The more information that can be made available to the customs authorities (clear description and designation of the original goods and counterfeits, possible place of border crossing, sender, consignee and forwarding company, etc), the greater the probability that trademark infringements will be recognised and recorded when crossing the border.

The customs administration can retain goods in case of suspicion of an infringement of trademark rights and will notify the trademark owners. They can request the customs authorities to stop their import and export for up to 20 working days, while applying to a judge for precautionary measures. If the goods have to be released again, the applicants are responsible for the damage, if any. The trademark owners can request the destruction of the goods, but are liable for damages in the event of unjustified destruction.

In general, foreign activities cannot support a charge of infringement or dilution in Switzerland. However, activities abroad that have consequences in Switzerland may be deemed to constitute a violation of Swiss trademark rights (eg, if infringing goods are offered on foreign websites directed at Swiss consumers). Customs seizure measures are available for infringing goods arriving from abroad (see question 26).

Discovery

31 | What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Any competent court may be requested to take evidence at any time if the applicant is in a position to credibly demonstrate that evidence is at risk or that it has a legitimate interest to obtain evidence (eg, in order to assess its chances in civil court proceedings). The court decides on such requests in summary proceedings.

Under the TmPA, the party whose trademark rights are infringed has a specific claim to information on infringing goods, distribution channels and quantitative data against the infringer, which may be asserted by way of civil proceedings (see question 18).

Moreover, once civil proceedings have been initiated, the adverse party may, upon request, be ordered by the court to disclose evidence in accordance with applicable procedural law. The court may also summon witnesses for live testimony or question the parties.

Timing

32 | What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for an infringement or dilution action ranges from six to 12 months to three years, depending, in particular, on the extent of the defendant's participation or counterclaims in the course of such proceedings. In the case of an appeal to the Federal Supreme Court, the time frame would typically be extended for another one to two years.

With respect to preliminary injunctions, the time frame is also variable. Ex parte injunctions can be rendered on the day of the request or within a few days. In the context of preliminary injunctions, where the defendant is heard, the proceedings can last between a few weeks and a few months. Appeals against preliminary injunctions would extend such proceedings for about one year.

Limitation period

33 | What is the limitation period for filing an infringement action?

In principle, there is no limitation period for filing an infringement action. However, two deadlines must be observed. First, there is the relative one-year and absolute 10-year limitation period in civil proceedings for claiming damages. On the other hand, a forfeiture period of four to eight years (there is no precise legal rule on that) must be considered with regard to the prohibition claim under trademark law.

Litigation costs

34 | What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Litigation costs can be divided in two components: court costs and attorneys' fees.

Court costs are calculated on the basis of the value in litigation, which is set by the parties (in the claim for the claimant and in potential counterclaims by the defendant). The claimant shall make an advance payment of the court fees (which can amount to the total amount of the estimated court fees). Cantons provide schedules of court costs, which generally correspond to a percentage of the value in litigation. For example, the court fees in the Canton of Geneva range from 200 to 2,000 Swiss francs (for a value of less than 10,000 Swiss francs) to 100,000 to 200,000 Swiss francs (for a value of more than 10 million Swiss francs).

Attorneys' fees associated with a trademark infringement or dilution action depend on the complexity and length of the preparation and proceedings. They are thus variable and it is difficult to set a typical range. For example, in simple and straightforward cases, such fees could amount to around 10,000 Swiss francs, but could be markedly higher in complex cases.

The prevailing party is entitled to recover from the other party the court costs and part of its attorneys' fees, it being specified that in the case of a partial decision, the court will split these costs and fees accordingly between the parties.

Appeals

35 | What avenues of appeal are available?

Trademark actions are decided in the first instance by a sole cantonal court (either a specialised cantonal court or the higher cantonal court). An appeal is thus possible only to the Federal Supreme Court. The grounds for an appeal are typically limited to the violation by the cantonal court of federal and international law. The Federal Supreme Court will only exceptionally review facts that have been found by the cantonal court.

Defences

36 | What defences are available to a charge of infringement or dilution, or any related action?

In the context of such actions the defendant could argue that it has prior rights, that there is no likelihood of confusion between the marks, that the claimant's trademark is null and void (eg, that it is descriptive, laudatory or misleading, or that it has become generic) or that the claimant's trademark has become non-enforceable through non-use. It could also argue that the claimant's trademark rights have lapsed, which under Swiss law is based on the general principle of good faith (including that the manifest abuse of a right is not protected by law).

In the context of a dilution action in particular, the defendant may argue that the claimant's trademark is not famous. Claiming that the claimant's trademark has become generic is also a common defence in dilution cases.

Remedies

37 | What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

Civil remedies in infringement or dilution actions typically include damages, surrender of profits or restitution of unjust enrichment. A court can also order the assignment of the disputed trademark to the claimant, the forfeiture of items which unlawfully bear the trademark and the publication of the judgment. It is also worth noting that specific remedies are available in the context of preliminary injunctions, such as the securing of evidence and establishment of the origin of products.

Criminal remedies include monetary penalties as well as custodial sentences. It should be noted that under Swiss criminal law, legal entities can be subject to criminal penalties (fines) in certain circumstances.

ADR

38 | Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Civil trademark claims can be subject to traditional ADR mechanisms, such as mediation and arbitration. The main advantage of such mechanisms would be confidentiality, which could help protect the reputation of the parties involved. Except for domain-name specific ADR (UDRP

and the comparable mechanism available for .ch domains), there are no specific ADR mechanisms focusing on trademarks. Such domain-name ADR is useful in particular to mitigate costs, since it is inexpensive, or when the remedy sought is merely to obtain the transfer of a domain or its cancellation.

UPDATE AND TRENDS

Key developments of the past year

39 | Are there any emerging trends, notable court rulings, or hot topics in the law of trademark infringement or dilution in your jurisdiction?

In April 2019, the Federal Supreme Court issued a decision that is of the utmost importance and relevance. According to this judgment, in the case of *Apple*, the current factual understanding of the relevant public is decisive for the assessment of inherent distinctiveness and not the verbatim meaning of the trademark. If the relevant public does not understand the word in its lexical meaning, but as an indication of a particular undertaking, this must be taken into account in the registration procedure, because 'in exceptional cases, a word of general vocabulary may be associated with an undertaking in such a way that it (co-)determines the meaning of the word'. Apple as one of the best-known trademarks in the world is understood by average German, French and Italian-speaking consumers not as a reference to a fruit but as a reference to a particular company. The average consumer makes reference to the undertaking concerned without relying, in relation to the goods in respect of which registration is sought in the classes concerned, on the lexical meaning of the sign.

In a decision of June 2019, the Federal Administrative Court stated that the objection of non-use in opposition proceedings can also be raised preventively (ie, if the grace period has not yet expired at the time of the first reply before the IPI). If the time limit for non-use subsequently expires after the commencement of the opposition proceedings, but still during these proceedings, the IPI is obliged to deal with the argument of non-use. This is a deviation from the previous case law.

The Swiss government plans to ratify the Geneva Act of the Lisbon Agreement on Appellations of Origin. Should the proposal pass parliament, ratification could be expected for 2022.

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