

WORLD TRADE ORGANIZATION

RESTRICTED

IP/Q2/CHE/1

17 October 1997

(97-4527)

**Council for Trade-Related Aspects
of Intellectual Property Rights**

Original: English/French

REVIEW OF LEGISLATION ON TRADEMARKS, GEOGRAPHICAL INDICATIONS AND INDUSTRIAL DESIGNS

Switzerland¹

The present document reproduces the introductory statement made by the delegation of Switzerland, the questions put to it and the responses given in the review of legislation on trademarks, geographical indications and industrial designs at the Council's meeting of 11-15 November 1996.²

I. INTRODUCTORY STATEMENT

Presentation of the Federal Law on Industrial Designs

The Federal Law on Industrial Designs dates from 30 March 1900. It has been amended on several occasions, most recently in connection with the ratification of the WTO Agreement in December 1994.

The principal characteristics of the Swiss system are described in detail in the responses given to the questions posed by the United States and Japan.

No doubt, the structure of the Law is rather old-fashioned as compared with the Trademark Law. However, this does not mean that it is any less effective, particularly as the procedure is rapid and relatively inexpensive, especially for multiple deposits in the textiles field. The Law consists of four parts.

1. Part I (General Provisions) covers the following points: definition of an industrial design; creator's right; acquisition of the right by deposit; grounds for exclusion; individual or multiple deposit; deposit under seal; term of protection; lapse of rights; annulment of deposit. The priority right, which was covered by a separate law, was incorporated in the Law on Industrial Designs in the course of the legislative review procedure associated with the ratification of the WTO Agreement. In reply to the question you raised yesterday, Mr. Chairman, I should point out that, as with trademarks, the regime applicable in Switzerland as regards the priority

¹ As regards laws and regulations relevant to the areas under review as notified by Switzerland under Article 63.2 of the Agreement, reference is made to document IP/N/1/CHE/1 as well as documents IP/N/1/CHE/T/1-2, IP/N/1/CHE/G/1-2, IP/N/CHE/D/1-2, IP/N/1/CHE/O/1-2 and IP/N/1/CHE/U/1.

² The minutes of this meeting are contained in document IP/C/M/11.

right under the Paris Convention extends to all WTO Members, including those which choose to avail themselves of a transitional period provided for in the TRIPS Agreement.

2. Part II deals with the deposit procedures themselves, including international deposit under The Hague Agreement administered by WIPO.
3. Part III contains the rules relating to legal protection (enforcement), i.e. civil and penal sanctions, including provisional measures. This part underwent several changes in connection with the ratification of the WTO Agreement, since some sanctions were completely inadequate and no longer met the requirements of a modern and effective system for combatting the counterfeiting of industrial designs. The penal sanctions were strengthened and aligned on those of the laws on trademarks and on copyright and related rights. Another innovation was the introduction of border measures: here too, the provisions were aligned on those of the laws on trademarks and on copyright and related rights. With the latest amendments, Swiss law now offers a protection which, in many respects, goes beyond the requirements of the TRIPS Agreement.
4. Part IV contains final provisions.

The Ordinance on Industrial Designs of 27 July 1900, most recently amended in 1995 in connection with the ratification of the WTO Agreement, regulates the detailed implementation of the Law.

Presentation of the Trademark Law

Prior to 1993, trademark law was governed by a law which went back to 1890. Even though it had been partially amended on several occasions, it no longer met modern requirements and was in need of a complete overhaul. It was necessary to strengthen the position of the owner and to ensure that the trademark could be put to good effect as an auxiliary tool for the use of the enterprise in the general interest of trade and industry. In fact, the owner needed an improved legal instrument that would enable him to challenge infringements of the rights conferred by the mark more effectively. At the same time, the interests of the consumer had to be taken into account. In reviewing the law in 1992, Parliament took into consideration the latest international developments. Thus, considerable attention was given to the law relating to the community trademark and to the discussions concerning the harmonization of trademarks at WIPO, as well as to certain national laws, aspects of which seemed particularly useful or well adapted to the modern economy and modern trade.

The Federal Law on the Protection of Trademarks and Indications of Source (Trademark Law), adopted on 28 August 1992, entered into force on 1 April 1993.

Structure

The Trademark Law has four titles:

1. Title 1 deals with trademark law, Chapter 1 containing general provisions such as the definition of trademarks; grounds for exclusion; the acquisition or generation of the right in a trademark; priority rights; duration of protection; the conditions governing the use of a trademark; exclusive rights; trademarks of wide repute; changes to trademark rights; and international treaties. Chapter 2 contains special provisions on guarantee mark and collective marks. Chapter 3 deals with the registration, opposition, cancellation and appeals procedures. This Chapter also defines the functions and powers of the competent authority responsible for implementing the Law, namely the Federal Intellectual Property Institute. Chapter 4 deals more especially with the international registration of trademarks.

2. Title 2 is intended to protect indications of source, for services as well as goods.
3. Title 3 includes a Chapter on civil law protection; a Chapter on penal provisions; and, finally, a Chapter on assistance from the customs authorities.
4. Title 4 sets out the final provisions, including the transitional arrangements.

The Ordinance on the Protection of Trademarks of 23 December 1992 regulates the detailed implementation of the Law.

Main features of trademark law

This account of the law is not concerned with conditions of protection, such as distinctive character, or grounds for exclusion, such as signs in the public domain or signs contrary to public policy. These points are common to most national legislation. I will simply draw attention to certain features which may be of interest to WTO Members.

As compared with the Law of 1890, the Trademark Law introduces an innovation by extending the protection offered by trademark law to services. The services in question are those provided by banks, insurance companies, travel agencies and other service enterprises.

The Trademark Law contains an open definition of a trademark, simple examples being given to show what a mark might be, as indicated by the words "in particular" in Article 1(2). This allows for changes in practice and in the law to reflect economic and commercial developments. Thus, the Law leaves open the possibility of protecting acoustic marks.

As distinct from the Law of 1890, which established the principle of use, the Trademark Law establishes the principle of registration. In other words, the right to a trademark belongs henceforth to the person who first files the mark.

The term of validity has been reduced from 20 to ten years, indefinitely renewable. Shortening the duration of registration makes it possible to avoid clogging up the registers with marks which are not or are no longer used. The chosen term corresponds to that adopted by most other countries.

The trademark must be used within five years of the expiry of the time-limit for opposition or, where appropriate, the termination of opposition proceedings. It may not be cancelled if the owner can justify its not being used. Thus, the Trademark Law goes further than Article 19 of the TRIPS Agreement, which provides for a period of three years of non-use.

The Trademark Law provides for the protection not only of well-known marks but also of trademarks of wide repute (internationally well known). These two concepts will be examined in detail when we address the questions posed by the United States.

In contrast to the situation which prevailed under the Law of 1890, the transfer or assignment of trademarks is free.

An important innovation of the Trademark Law is the guarantee mark, i.e. a sign used under the control of the owner of the trademark by several enterprises which serves to guarantee certain characteristics of their goods or services. The guarantee may relate, for example, to a particular finish, manufacturing process or quality standard. The collective trademark, already familiar under the old Law, serves to distinguish the goods or services of the members of an association of enterprises from those of other enterprises.

Another important innovation of the Trademark Law is the introduction of an opposition procedure: the owner of an earlier trademark may, within three months of the publication of a national trademark, lodge opposition to the registration of an identical or confusingly similar mark. The decisions can be appealed to the Intellectual Property Appeals Board.

In general, the registration procedure takes about six months.

Main features of geographical indication law

The definition of geographical indications in the Trademark Law takes into account the approach adopted in neighbouring countries. It is broader than that previously applied, covering not only direct references (name of region, canton or locality) but also indirect references (Swiss Federal Cross, Matterhorn, images of William Tell). The Trademark Law empowers the Federal Council (Swiss Government) to detail the conditions under which a geographical indication may be used. This possibility, which was already available under the old Law, was used to promulgate the Ordinance on the use of the designation "Swiss" for watches (see document IP/N/1/CHE/1 of 5 March 1996, p. 7).

It should be noted that the protection of geographical indications is also regulated by the Law on Agriculture. In fact, within the context of a recent partial review, it was decided to establish a system for the registration of indications of source and geographical designations for agricultural and derived products (see document IP/N/1/CHE/1, pp. 7-8). Details are given in the Swiss response to the questions from the European Communities and their Member States.

Finally, where geographical indications are concerned, Switzerland has concluded numerous bilateral agreements, such as those with the Czech Republic, France, Germany, Hungary, Portugal, the Slovak Republic and Spain. The provisions of these agreements are similar to those of Article 23, but go far beyond the scope of that Article by protecting products other than wines and spirits, namely foodstuffs, and craft and industrial products.

Legal protection (enforcement)

In the area of legal protection, the Trademark Law extends and, in many respects, strengthens the legal protection for trademarks and indications of source, especially against trademark piracy and the counterfeiting of trademarked goods.

A special chapter on assistance from the customs has been added, so that counterfeiting may be combatted more effectively. The customs authorities may intervene to prevent goods that unlawfully bear a trademark or an indication of source from being imported or exported.

The owner has a whole arsenal of civil remedies at his disposal to enforce his rights; these remedies, including provisional measures, correspond to those provided for in the TRIPS Agreement. It is an important feature of the Trademark Law that professional and trade associations and consumer organizations may institute actions relating to geographical indications.

Finally, the penal sanctions have been significantly strengthened to increase the effectiveness of the measures for combatting infringements of the Law, in particular counterfeiting. For example, anyone who unlawfully copies a trademark will be liable to a fine of up to CHF 100,000.

Adaptation to the TRIPS Agreement

Since the Trademark Law is relatively recent and based on modern principles, the ratification of the WTO Agreement did not require many changes. Two amendments were made: the first concerns

the extension of the period of withholding of the goods by customs in accordance with Article 55 of the TRIPS Agreement, while the second concerns the right of customs to require security in accordance with Article 53.1 of the TRIPS Agreement.

National treatment and MFN clause

As pointed out in connection with the notification of laws at the beginning of 1996 (see document IP/N/1/CHE/1, p. 1), national treatment was granted to WTO Members well before 1 January 1996, namely on 1 July 1995, the date on which Switzerland ratified the WTO Agreement.

From the same date, the regime applicable in Switzerland with respect to priority rights under the Paris Convention was extended to all WTO Members, including those availing themselves of the transitional period provided for in the TRIPS Agreement.

Protection of coats of arms and other public signs

Finally, a reference should be made to the existence of other texts which are also of considerable practical significance, such as, for example, the Federal Law on the Protection of Coats of Arms and Other Public Signs. These signs may not be used for commercial purposes. The texts were duly notified under "Other laws and regulations" in document IP/N/1/CHE/1, p. 19.

II. REPLY TO THE GENERAL QUESTION CONCERNING PRIORITY RIGHTS³

Does your country recognize a right of priority on the basis of an earlier trademark application filed in any other WTO Member by a national of a WTO Member?

From the date on which Switzerland ratified the WTO Agreement, i.e. 1 July 1995, the regime applicable in Switzerland with respect to priority rights under the Paris Convention was extended to all WTO Members, including those availing themselves of a transitional period provided for in the TRIPS Agreement.

III. REPLIES TO QUESTIONS POSED BY THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES

1. *Within which period of time does Switzerland intend to establish new legal regulations on the protection of geographical indications for agricultural products?*

The legal basis for the establishment of a new legal framework concerning the protection of geographical indications for agricultural products was created in June 1996 by amendment of the Swiss Federal Law on the Improvement of Agriculture and the Preservation of Farming Populations (Federal Law on Agriculture) (see Article 18(c)). On that basis, a draft Ordinance on the Protection of Appellations of Origin and Geographical Designations in respect of Agricultural Products and Processed Agricultural Products is being prepared (as reflected in document IP/N/1/CHE/1, p. 8). According to the provisional timetable, it is expected to enter into force before July 1997.

³ At the meeting of the TRIPS Council of 11-15 November 1996, Members agreed to respond to this question in the context of the present review (document IP/C/M/11, paragraph 43).

2. *What will be the innovations of the respective provisions relating to the law presently in force?*

The innovation in the future Ordinance is the establishment of a system equivalent to that of Council Regulation (EEC) 2081/92.

3. *Is it intended to establish a registration system for geographical indications with respect to wines and spirits on federal level? What shape would a respective system have?*

Wines

The Federal Decree on Viticulture of 19 June 1992⁴ contains definitions of "indications de provenance", "appellations d'origine" and "appellations d'origine contrôlée (AOC)". With regard to the AOCs, the Federal Decree provides for a number of basic criteria (delimitation of the production areas; methods of production; vinification process; etc.). However, it is up to the Cantons to adopt the provisions and to provide for the necessary conditions as long as they respect the minimal norms specified in the Federal Decree with regard to the natural sugar content and the limitation of grape harvests. The Cantonal provisions must be approved by the Federal Department (Ministry) of Public Economy. Under the Decree, the Department is in charge of keeping a register (or list) of AOCs for the whole territory of Switzerland. A list of AOCs and "traditional designations" is being prepared on the basis of the Decree and of existing bilateral agreements concluded by Switzerland with other countries.

Spirits

It is intended to deal with the question of the protection of geographical indications for spirits in the draft Ordinance mentioned in our response to question 1 above.

IV. REPLIES TO QUESTIONS POSED BY THE UNITED STATES⁵

1. *Please explain whether colours are registrable as trademarks under Swiss trademark law, absent combination with accompanying figurative elements, as required by Article 15.1 of the TRIPS Agreement.*

The use of basic colours must be available to everybody; they belong to the public domain and are excluded from trademark protection (Article 2(a) of the Trademark Law). Combination of colours (three at least) are accepted for protection, provided they fulfil other requirements prescribed by the Trademark Law (distinctiveness, no confusion with other marks, etc.).

Trademarks that consist of one *single* colour may be registered if they have become accepted as a trademark for the goods or services for which they are claimed; the Swiss Federal Institute of Intellectual Property ("Institute") has, for example, accepted to register the lilac colour as a trademark for chocolate (so-called "Milka decision"). As a general practice, the Institute may ask the applicant to proceed to a public opinion poll in order to determine whether a single colour has become accepted as a trademark for the goods or services for which they are claimed.

⁴ The Swiss delegation has informed the Secretariat that the text of the Decree will be notified under Article 63.2, once a number of pending amendments have taken effect. Excerpts of the Decree can be found in Annex I to the present document.

⁵ When responding to the US questions, Switzerland indicated, at the outset, by way of general remark, that the Swiss Federal Law on the Protection of Trademarks and Indications of Source (Trademark Law) covers goods and services.