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SWITZERLAND: Geographical Trademarks in Peril? Swiss Supreme Court Takes a Strict Approach

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H + H Partner AG is the owner of Swiss trademark registrations for GOTTHARD (No. 537423) and GOTTHARD & Design (No. 539910) in various classes.

Based on these trademarks, H + H sued the company Oeko-Energie AG Gotthard, an energy company domiciled in the Gotthard area, in order to stop it from using the term Gotthard in its company name. Oeko-Energie AG Gotthard filed a counterclaim to seek invalidation of the plaintiff's GOTTHARD trademarks covering fuels.

Gotthard is a well-known Swiss mountain area and also an important traffic route between Germany and Italy.

The High Court of the Canton Uri dismissed the action, allowed the counterclaim and declared both trademarks null and void in respect to fuels in Class 4. H + H subsequently appealed the decision to the Swiss Federal Supreme Court.

The Supreme Court dismissed the appeal and confirmed the decision of the High Court (Case 4A_324/2009, Oct. 8, 2009). It highlighted that a known geographical name is excluded from trademark protection if the consumer understands it as indicating an origin of the goods in question. Every producer and manufacturer must be allowed to use the geographical indication in order to label the source of origin of its products. The Court stated that because the possibility that fuels might be produced and offered in the Gotthard region one day could not be excluded, the word needed to be kept free for competitors and the word mark was therefore null and void. Regarding the device mark, the Court found that the design could be perceived as a mountain surrounded by a cloud and could therefore be perceived as a depiction of the Gotthard region. It stressed that trademarks consisting of a geographical indication and a design can be protected only if the overall impression is dominated by the design. Here, the Court held that the word Gotthard was not a minor element, and therefore it invalidated the trademark.

This decision may have a drastic impact on owners of trademarks including geographical terms, especially because many device marks consisting primarily of geographical indications may now be declared null and void in litigation before the courts. In any case, it remains to be seen whether the Supreme Court's very strict approach will be adopted by other courts and authorities. Regarding device marks, the suggested practice appears even more restrictive than the current practice of the Swiss Trademark Office.

The Supreme Court's decision is available online in German at www.bger.ch.

Although every effort has been made to verify the accuracy of items carried in the INTA Bulletin, readers are urged to check independently on matters of specific concern or interest.

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