



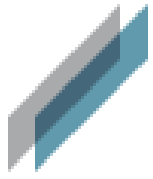
Branding Switzerland

- the special relationship between GIs and TMs -

Stefan Hubacher, Attorney-at-Law

FMP Fuhrer Marbach & Partners • Konsumstrasse 16A • CH-3007 Bern

+ 41 (0)31 382 44 33 • hubacher@fmp-law.ch



My favourite GI





Introduction

Today's discussion is about

- **differences** between trade mark protection and protection of GI;
- **examples** of effective branding strategies which make use of both rights.



GI protection vs. trademarks

Situation in CH

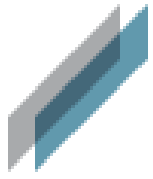
- TM protection for GI: nearly impossible

IBEROGAST (Cl. 5) → Spain

HYDE PARK (Cl. 12, 28) → England

TEUTONIA (Cl. 12, 20, 25) → Germany

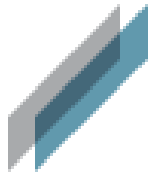
MAUI JIM (Cl. 9, 25) → Hawaii



GI protection vs. trademarks

Situation in CH

- However, barely infringement cases simply based on GI
- Contradiction? If yes, why?
 - Example: Swiss touristic industry



Example ZERMATT

One of the most known GI in Switzerland



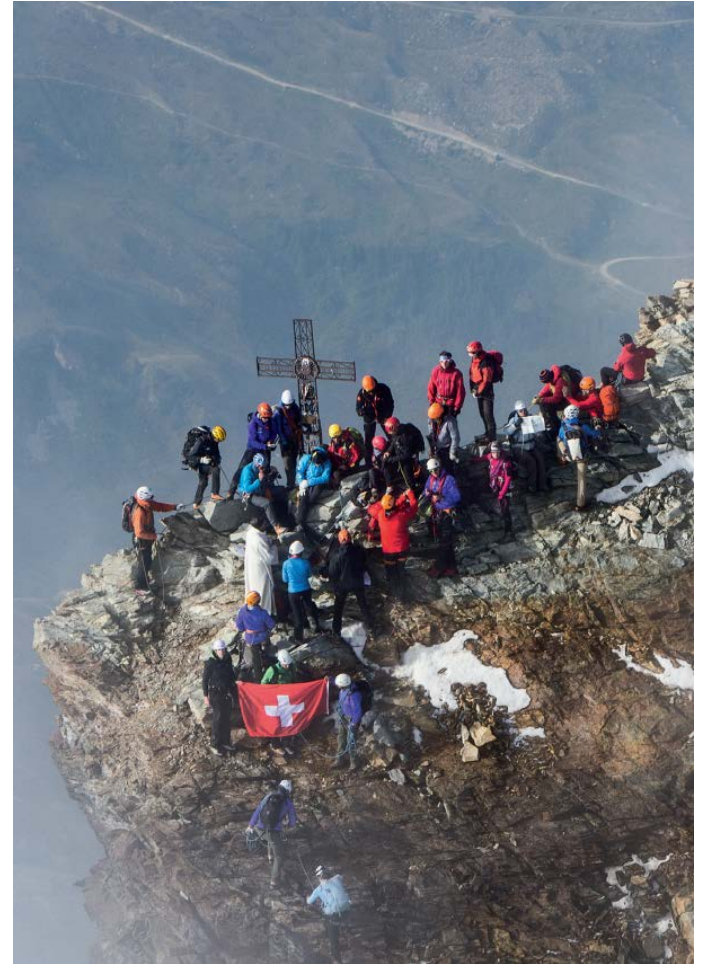
Source:
www.zermatt.com



Facts & Figures

Overnight stays: 2 Mio. / year
30% from Europe
8.5% from Asia
6% from the US

Turnover: approx. 8.4 Mio CHF



Source: www.zermatt.ch



Protection of «Zermatt»

- **No trademark protection for word «ZERMATT»**
 - direct indication of origin
 - belongs to the public domain (missing distinctiveness)
 - must kept free for all (local) competitors.
- **But protected as GI**



Scope of protection as GI

«ZERMATT» is protected against misleading use



- art. 47 Swiss Trademark Act (section 3)
- unfair competition
- (partially) foodstuff legislation

and incorrect registration

- art. 2 let. c Swiss Trademark Act (prohibition of registration of geographically misleading marks)

Registered Trademarks of «ZERMATT»

Despite the GI protection, Zermatt has registered several trademarks on «ZERMATT»:

	<input checked="" type="checkbox"/>	5 - 6, 8, 14 - 16, 18, 20 - 22, 24 - 26, 28, 30, 32 - 34	P-382273	Zermatt Tourismus, Bahnhofplatz 5, 3920 Zermatt
	<input checked="" type="checkbox"/>	1, 3 - 4, 9, 12, 29, 31, 35 - 36, 39, 41, 43 - 44	P-537219	Zermatt Tourismus, Bahnhofplatz, 3920 Zermatt
ZERMATT MATTERHORN	<input checked="" type="checkbox"/>	1, 3, 7 - 9, 11 - 12, 14, 16, 18, 21, 24 - 25, 28 - 36, 41, 44	P-538084	Zermatt Tourismus, Bahnhofplatz, 3920 Zermatt
zermatt no matter what	<input checked="" type="checkbox"/>	16, 39, 43	640451	Zermatt Tourismus, Bahnhofplatz 5, 3920 Zermatt



Registered Trademarks

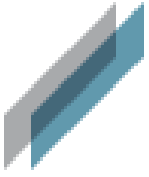
Local Monument «**MATTERHORN**» & Mascot

	<u>MATTERHORN</u>	<input checked="" type="checkbox"/>	3, 9, 14, 18, 20, 25, 28 - 33, 35 - 36, 41, 43 - 44	<u>574468</u>	Zermatt Tourismus, Bahnhofplatz 5, 3920 Zermatt
	<u>Matterhorn Valley</u>	<input checked="" type="checkbox"/>	35 - 36, 39, 41, 43	<u>602309</u>	Zermatt Tourismus, Bahnhofplatz 5, 3920 Zermatt
	<u>CERVIN</u>	<input checked="" type="checkbox"/>	35 - 36, 41, 43 - 44	<u>638010</u>	Zermatt Tourismus, Bahnhofplatz, 3920 Zermatt
	<u>CERVINO</u>	<input checked="" type="checkbox"/>	35 - 36, 41, 43 - 44	<u>638011</u>	Zermatt Tourismus, Bahnhofplatz, 3920 Zermatt
		<input checked="" type="checkbox"/>	3, 9, 14, 16, 18, 20 - 21, 25, 28 - 33, 35 - 36, 39, 41, 43 - 44	<u>572290</u>	Zermatt Tourismus, Bahnhofplatz 5, 3920 Zermatt
	<u>WOLLI</u>	<input checked="" type="checkbox"/>	3, 9, 14, 16, 18, 20 - 21, 25, 28 - 33, 35 - 36, 39, 41, 43 - 44	<u>572353</u>	Zermatt Tourismus, Bahnhofplatz 5, 3920 Zermatt



And ZERMATT is not the only one!





TM vs. GI

- Why investing so much in trademark protection?
- Obviously, tourism organisations don't rely on GI protection
 - *GI protection does not cover all their needs*



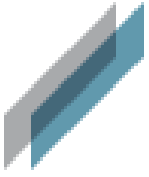
Reasons

The GI is not allocated with one specific owner

Like a beautiful house



Source: <http://www.architektur-studer.ch>



Reasons

with lots of inhabitants!



Source: <http://www.architektur-studer.ch>



Reasons

- GI = collective brand
- Beneficiaries have no / very limited influence on who can use it (in contrast to a licensed TM)
 - *GI is not allocated with one specific owner*
 - *Therewith, GI grants **no real monopoly***
- This is what successful marketing requires: **full control, distinctiveness and uniqueness.**
 - *GI alone cannot fulfil these requirement*





Other reasons

- GI protection does not automatically lead to a **registered right**
 - *Disadvantage for enforcement (cease and desist letters)*
- **Fuzzy criteria:** who is under which conditions allowed to use the GI?



Other reasons

- (in general) **no quality requirements** attached to the use of a GI
 - *Touristic destinations have to tolerate every use of «ZERMATT» through local businesses or individuals;*
 - *Independently of the quality, the content etc.*





Interim conclusion

- Lots of GI-beneficiaries register TM

no coincidence

- GI protection does not cover all needs of the industry (individualization, uniqueness, brand-control).

➤ *Question: Is there thus a need to adapt the GI system?*



Legislator is aware of this

- Art. 50 Swiss Trademark Law

*“Where the **general interests of the economy or of individual sectors** so require, the Federal Council may define in greater detail the **requirements under which a Swiss indication of source may be used for specific goods or services. ...**”*



SWISSNESS – *solution?*

Such an attempt has been made with the new Swissness legislation

«What's the best about Switzerland?»



I don't know, but their flag is a HUGE PLUS!»



Impulse for the new law

- (Exceptionally) good **reputation** of Swiss products
 - Considerable **economic added value** of the Swiss Origin;
 - Use of the «Swiss»-brand as advantage in the competition
- Increased **wrongful use** of the «Swiss» brand
 - *Loss of reputation* and *dilution* in the value of the «Swiss» label;
 - *complaints* of the business community, consumers.



Aim of the new law

Better protection of the brand «SWISS» through **better definition of the requirements** under which the Swiss indication of source may be used for specific goods or services.

- Increased transparency through clearer / handier criteria
- Easier enforcement



Criteria for *products*

- **Natural products**
 - Criteria depends on the type of product (e.g. crops = place of harvest)
- **Processed natural products**
 - 80% of the weight of the raw material available in CH;
 - Step that gives a product its unique character.
- **Industrial goods**
 - 60% of the manufacturing costs (incl. Research & Development);
 - At least one essential manufacturing step in CH.



Criteria for *services*

Company / Individual must have

- its headquarter/domicile in CH, and
- an actual administrative centre in CH.



Register for geographical marks

- Existing registers
 - On **agricultural products** and **processed agricultural products** (via the Federal Office for Agriculture);
 - And **wines** (competence of the cantons).
- **New (federal) register**
 - For all (incl. non-agricultural) products.



Who can register a geographical mark?

- «**Representative group**»
 - E.g., the industry organisation "*Interprofession of Gruyère*" having obtained the AOC "Gruyère". The rules of use for the geographical mark must correspond exactly to the product specification of the AOC.
- However, the geographical mark grants **no monopoly**
 - remains freely available for all those fulfilling the conditions of use listed in the product specification.



Rights connected to the geographical mark

Holder of a geographical mark can assert his rights

- against any *use*
- that *does not conform to the product specification* of the designation of origin or the geographical indication that is protected as a trade mark.

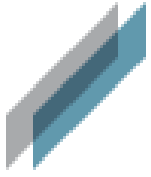
➤ *Possibility to state specific (quality) criteria*



Interim conclusion (2)

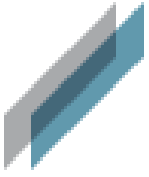
The Swissness legislation

- Sets out clearer criteria
 - *More (enough?) practicable*
- Foresees the possibility to register any geographical mark
 - *Advantage for enforcement*
- TMO can sue
 - *More infringement actions (?)*

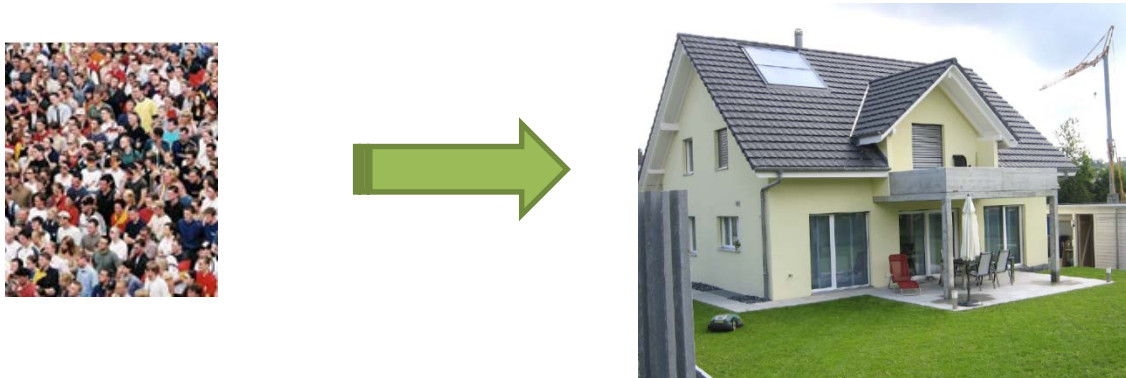
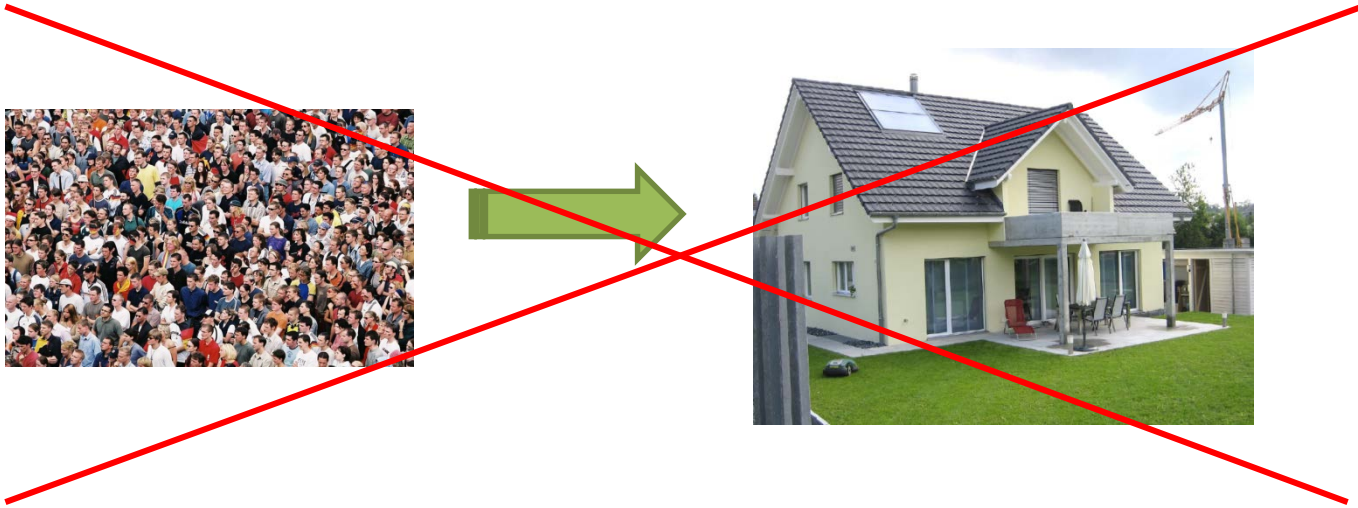


Interim conclusion (2)

- Therewith, the “Swissness”-legislation leads GI protection closer to TM protection
 - Possibility of registration
 - Clearer criteria, who is allowed to use the “brand”
 - Swiss Federation (via TMO) takes over the role of the brand owner
- However, GI protection remains still open for a collective



Interim conclusion (3)





Overall conclusion

GI and TM have a complicated relationship

- **Theoretically**, they are exclusive
 - GI can generally not be registered as TM
 - GI protection will and shall not be an alternative to TM protection
- **Factually**, the two systems need to be used in a complementary way
 - Almost all GI beneficiaries choose additional TM protection



Overall conclusion

