



NEWSLETTER OCTOBER 2016

## **NEW THREATS TO YOUR SWISS TRADEMARKS ON THE HORIZON**

### **INTRODUCTION OF THE ADMINISTRATIVE CANCELLATION PROCEDURE FROM 01 JANUARY 2017**

The new rules of the so-called “Swissness” legislation which will come into force on 1st January 2017 have been on everybody’s lips for some time. It is easy to forget that at the same time, a new instrument will be introduced to Swiss trademark law which may be of great practical significance for the owners of older registered trademarks and third parties for whom these trademarks are a thorn in their sides. This is the administrative cancellation procedure before the Swiss Federal Institute of Intellectual Property.

Although a trademark essentially offers its owner protection for a period of ten years and this protection period may be extended indefinitely, the trademark may be a subject of legal attacks even during this protection period. One of the reasons for legal attacks is the non-use of a trademark. If the trademark owner has not used his trademark during an uninterrupted period of five years for the registered goods or services, he can no longer assert his trademark rights against third parties unless there have been important reasons for the non-use (cf. art. 12 Paragraph 1 of

the Swiss Trademark Act). It must, however, be noted that even a trademark which has not been used will not be automatically deleted from the trademark register upon expiry of this period. It will only be cancelled if a third party applies for its cancellation.

Until now this third party had to lodge a cancellation action before a court. Such civil proceedings may take a long time and can be very costly (court fees, provision of a security, lawyers’ fees, third-party costs in order to establish credibility of the non-use). These are all reasons why only a few cancellation proceedings have hitherto been resolved in court.

The new administrative cancellation procedure before the Swiss Federal Institute of Intellectual Property makes it possible for anyone to request to cancellation of a trademark due to non-use. Special interest in the cancellation of the trademark needs not be demonstrated. The fee for the cancellation procedure has not been precisely determined yet. However, it is expected to amount to CHF 800. Within the cancellation request credibility of non-

use of the trademark over the preceding five years must be established. The trademark owner can subsequently prove the genuine use of his trademark in his statement or present major reasons for the non-use of the mark. The latter must be based on circumstances which have arisen independently of the will of the trademark's owner and which impede the use of the trademark (e.g. environmental catastrophes, war, import restrictions, but not technical or commercial difficulties). The trademark owner can of course dispute the statements and evidence brought by the plaintiff for establishing credibility of non-use. The subsequent decision rendered by the Swiss Federal Institute of Intellectual Property can be appealed to the Federal Administrative Court. Although this is not definite yet, a further appeal against this decision will, in all probability, be possible before the Federal Supreme Court. Irrespective of the new administrative cancellation procedure, there is also the possibility of initiating a court case as before, e.g. to receive a larger compensation sum for one's own costs than what would be the case in the administrative procedure.

The enormous simplification, cost reduction and acceleration of cancellation attacks against non-used trademarks will most likely lead to competitors resorting to this means in greater numbers to have trademarks which they regard as unfavourable and which are not being used to be deleted from the register. At the same time, the risk is also greater that the new cancellation procedure will be used as a means of defence in cases when a trademark owner asserts its trademark rights against third parties.

The following key points must therefore be noted:

- From 1st January 2017, there will be an increased risk of attacks against trademarks registered in Switzerland which have not been used during an uninterrupted period of five years for the registered goods and services or not in the registered form;
- The new cancellation procedure represents a cost-effective and speedy process for removing third parties' non-used trademarks which stand in the way of someone's own trademark use or which present risks for such use;
- Trademark owners should therefore check on a regular basis whether the trademarks in their portfolio are being genuinely used in such a way as to preserve their trademark rights.
- The use of one's own trademarks should be documented at regular intervals so that use over the preceding five years can be proven in possible cancellation procedures (respective documents must be dated or be clearly attributable to a specific point of time without any doubt);
- When submitting warning letters to third parties, it is important to consider that someone's own trademarks may be the subject of a counter-attack in the form of an administrative cancellation procedure.

Should you have any questions regarding the points mentioned, especially in relation to requirements concerning the genuine use of a trademark, the legal team from Wild Schnyder AG will be pleased to assist you.

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