

AIPPI Q281-SGL-TM-2022 – Trademarks and the Internet and Social Media

Report of the Swiss Group

I. Current law and practice

1.

In your Group's current laws or regulations, are there any provisions that specifically concern trademark protection on the internet or social media? Please answer YES or NO. If YES, please list these.

No.

2.

Is there any authority in the country or region of your Group which deals with trademark infringement matters on the internet or social media, which is different from the authority for traditional off-line trademark infringement matters? Please answer YES or NO. If YES, please specify which.

No.

3.

Is there any special mechanism/procedure available in the country or region of your Group to handle trademark infringement matters on the internet or social media? Please answer YES or NO. If YES, please clarify which.

No.

4.

What ways of use of a trademark on the internet and social media might constitute trademark infringement if there is no permission from the trademark owner? Please choose one or more answers from the following choices:

- a) use to sell a product or service online;
- b) use as a keyword (in a search engine or ranking at a platform);
- c) use as a metatag;
- d) use as a hashtag;
- e) use in a review posting;

- f) use as the name of a social media account or an online shop name;
- g) use for a comparison;
- h) use to endorse or promote another party's product or service;
- i) other, namely _____

In general, for a trademark infringement to occur under Swiss Law – be it in the analogue or digital world – it is required that the infringing sign is used as a distinctive sign, in commerce, for identical or similar goods or services, leading to a likelihood of confusion (see Art. 13 Trademark Protection Act, TMA). In the case of famous trademarks, an infringement may occur in relation to any kind of goods or services if such use endangers the distinctive character of the trademark or takes advantage of, or is detrimental to, its reputation (see Art. 15 TMA). Whether a court will consider a use of a sign as a trademark infringement in an individual case, depends on the specific circumstances as well as the actual use in the case at hand. However, private or purely informative use does not constitute a trademark infringement.

Furthermore, in case a use does not constitute trademark infringement, a separate assessment with regards to a potential violation of unfair competition law needs to be carried out, which is subject to the separate Unfair Competition Act (rather than the TMA). The result under unfair competition considerations (e.g. as regards an unfair exploitation of reputation) may ultimately differ from the assessment under trademark law, bearing in mind that unfair competition considerations provide for a distinct field of use under Swiss law. In the digital sphere, copyright law (e.g. the use of logos, image elements or protected text) or the law relating to the use of a name are also frequently affected. For the purposes of this Report, however, the Swiss Group will focus on considerations based on trademark law in its narrower sense.

In general, the following uses may constitute trademark infringement if no permission for such use has been granted by the trademark owner:

- a) Use to sell a product or service online: Such use may constitute trademark infringement if the use is not merely informative. However, a use for the identification of the actual trademark owner's offering (e.g. in the case of a reseller) will usually not constitute an infringement.
- b) Use as a keyword: See below at 7).
- d) Use as a hashtag: In particular, where a party's products are promoted under a hashtag using a third party's trademark, such use may amount to trademark infringement.

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Otherwise, the use of trademarks as hashtags is understood to be descriptive and thus permissible under Swiss law.

- f) Use as the name of a social media account or an online shop name: Such use constitutes use as a distinctive sign (e.g. use as a company name) and may therefore constitute a trademark infringement. However, while the business-related context is given when the trademark is used as an online shop name, this is not necessarily the case when it is used as a name of a social media account (e.g. fan pages).
- h) Use to endorse or promote another party's product or service: In particular, where a third party's trademark is used to identify the product or service, such use may infringe the third party's trademark. A third party's trademark may only be permissibly used in this context if it is indispensable to describe one's own offering (e.g. in the case of spare parts or accessories to branded products).
- e) Other, namely use in an e-mail address: Depending on the particular construction of an e-mail address, incorporating a third party's trademark into an e-mail address may constitute use as a distinctive sign and, thus, lead to trademark infringement (sic! 2020, 629).

The following uses will usually not constitute trademark infringement if there is no permission from the trademark owner for such use:

- c) Use as a metatag: Because a metatag is usually not visible to the website's user, a metatag generally provides for a descriptive reference to the content of the website. Use of a third-party trademark as a metatag may thus only in very rare cases lead to a deception or misleading of internet users.
- e) Use in a review posting: Such use is generally merely informative and will usually not result in a trademark infringement.
- g) Use for a comparison: Such use is generally only considered trademark use with regards the third party's products but not with regards to one's own products, which are compared to the third party's products. The decisive factor is that the third party's trademark is perceived as the trademark for its own offering (as the trademark owner). Hence, such use will usually not result in a likelihood of confusion.

5.

Are there any different tests applying to online trademark infringement compared with traditional offline trademark infringement? Please answer YES or NO. If YES, please state which.

No.

6.

What factors are taken into account when assessing whether there is jurisdiction regarding the use of a trademark online (on a website or app)? Please choose one or more answers from the following choices:

- a) whether the consumers in your country or region can access the website or app;
- b) whether the server of the website or app is located in your country or region;
- c) whether the website or app uses a local language of your country or region;
- d) whether the website or app allows to pay in the local currency of your country or region;
- e) whether goods/services are delivered to consumers in your country or region by the user of the trademark on that website or app;
- f) whether there is any business facility of the user of the trademark in your country or region;
- g) whether there are any promotional activities targeting consumers in your country or region by the user of the trademark;
- h) other, namely _____

In the context of this question, the Swiss Group understands the term «jurisdiction» to refer to the conditions under which online use is considered to fall within the territorial scope of a Swiss trademark, and not the conditions under which a Swiss court would consider itself competent to adjudicate a case concerning the infringement of a Swiss or foreign trademark.

For a Swiss trademark to be infringed, the use in question needs to take place in Switzerland. Online use is considered to take place in Switzerland if it has a commercial effect in Switzerland. This assessment requires a balancing of the interests of the user of the sign and the owner of the Swiss trademark, and has to be made on a case-by-case basis considering the specific circumstances of each case. The criteria set forth in WIPO's Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet of 2002 may be taken into account. However, technical developments since then, namely the possibility of geoblocking, have to be considered in the balancing of interests, and these criteria need to be interpreted more broadly (sic! 2020, 629).

Accessibility of a website in Switzerland (lit. a) is a prerequisite for a use to be considered to take place in Switzerland, but is not in itself sufficient for a commercial effect in Switzerland. Criteria considered to determine whether there is a commercial effect in Switzerland may include: use of a local language on the respective website or app (lit. c), while use of a language commonly understood in Switzerland (e.g. English) does not count against a commercial use in Switzerland; payment possibilities in Swiss franc (lit. d); delivery of goods and services to Switzerland (lit. e); location of business facilities of the user of the sign in Switzerland (lit. f); promotional activities targeting consumers in Switzerland (lit. g); other factors (lit. h), including but not limited to disclaimers, use of a Swiss top-level domain (such as.ch and.swiss), offer of post-sales activities in Switzerland, indication of addresses, phone numbers or other contact details in Switzerland, or access to the site or app from Switzerland in the past.

It is not required that all of these criteria are met in order to assume a commercial effect in Switzerland, and other

criteria may also be taken into account. Whether the commercial effect in Switzerland is stronger than in another jurisdiction is not decisive, meaning that a global website not specifically targeting Switzerland may have a commercial effect in Switzerland as well.

7.

a) Can the use of another party's trademark as a keyword in keyword search advertisement services¹ without the trademark owner's permission infringe that trademark? Please answer YES or NO.

Yes.

b) If YES, under which conditions is trademark infringement established?

The use of a confusingly similar sign in advertising or otherwise in the course of trade may constitute a trademark infringement (Art. 13(2)(e) TMA), unless the user has obtained permission from the trademark owner or is otherwise entitled to use the trademark (e.g. a reseller). A trademark infringement requires *inter alia* that the use in question constitutes use as a distinctive sign. With regard to use as a keyword, Swiss courts have denied this if the trademark in question does not appear in the advertisement itself and the advertisement is clearly separated from the search results. According to these decisions, the average user of a search engine is generally able to distinguish between the hits in the list of search results, on the one hand, and the advertisements, on the other hand. If the keyword does not appear in the advertisement and the advertisement is clearly marked as such, the user will recognize the purely contextual relationship between the keyword and the advertisement and will not assume that the advertisement originates from the trademark owner or an affiliated company (sic! 2012, 387; sic! 2015, 392).

In the Swiss Group's view, offering internet referencing services allowing customers to store, as a keyword, another party's trademark and displaying advertisements on the basis of that keyword as such does not constitute trademark infringement. However, if the concrete use of the keyword constitutes a trademark infringement, the search advertisement service provider may be liable for contributory infringement. Nonetheless, there seems to be no Swiss case law to that effect and the conditions under which an internet referencing service provider may be liable for such contributory infringement have yet to be clarified.

8.

a) Do one or more online market platforms in the country or region of your Group² provide services to stop trademark infringement on their platform? Please answer YES or NO.

Yes.

b) If YES, what services are provided? Please tick the below boxes that apply (in the comment box you may specify if these differ for different platforms):

- notice and take-down
- shop-shut down
- initiative policing and investigation of trademark infringement
- authentic products verification
- trademark recording system
- other, namely _____

9.

a) According to your Group's current laws and practice, can a social media influencer bear liability for his or her endorsement of a product or service infringing another party's trademark? Please answer YES or NO.

Yes.

b) If YES, under which conditions is trademark infringement established?

According to Art. 13(2)(e) TMA, a trademark owner may prohibit others from using a sign infringing its trademark in advertising or otherwise in the course of trade. In addition, a social media influencer may be liable for contributory infringement under Swiss law if, considering the ordinary course of events and real-life experiences, it has to be expected that the respective contributory action objectively favours a direct infringement.

It appears that there is no Swiss case law affirming trademark infringement by a social media influencer yet. However, the Swiss Commission for Fairness in Commercial Communication took the view that the Instagram posts of influencers are usually perceived by followers as commercial communication and not as editorial content (sic! 2019, 720). In the Swiss Group's view, it is decisive whether the influencer's endorsement of a product is perceived as promotional use in the course of trade. It should generally be assumed that use of a trademark by a social media influencer qualifies as commercial use. Promotional use in particular is to be affirmed if a social media influencer thanks the trademark owner for sponsoring the post or if she or he provides a link to the website where the product is offered for sale.

II. Policy considerations and proposals for improvements of your Group's current law

10.

Could your Group's current law or practice relating to the use by third parties of trademarks on the internet and social media be improved? If YES, please explain.

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- 1 Keyword search advertisement refers to such an advertisement wherein the information about the keyword buyer or any party the buyer appoints appears alone in the search result or in the front or at a prominent position of the search results when one conducts the search with such keyword.
 - 2 Herein «online market platforms in the country or region of your Group» refers to those local online market platforms or those international ones that operate in your country or region.

In the Swiss Group's experience, online enforcement has always been difficult for trademark owners. It has become even more challenging due to privacy and data protection rights of infringers. Therefore, the Swiss Group would particularly welcome statutory clarifications as to infringing use, liability of providers or abettors, or additional remedies such as restricting the accessibility of websites promoting or offering infringing goods.

11.

Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

See above at 10).

III. Proposals for harmonisation

12.

Do you believe that there should be harmonisation in relation to trademark protection on the internet and social media? Please answer YES or NO.

Yes.

13.

Should there be any provisions that specifically concern trademark protection on the internet or social media? Please answer YES or NO.

No.

14.

Should there be any authority to deal with trademark infringement matters on the internet or social media, which is different from the authority for traditional off-line trademark infringement matters? Please answer YES or NO.

No.

15.

Should there be any special mechanism/procedure to handle trademark infringement matters on the internet or social media? Please answer YES or NO.

Yes, the Swiss Group believes that there should be special mechanisms/procedures to handle trademark infringement matters on the internet or social media. The Swiss Group considers this important due to the fast pace of internet content availability as well as difficulties concerning enforcement, including international enforcement of court decisions.

In particular, the Swiss Group considers notice and take-down mechanisms as an important tool to consider as part of harmonisation efforts, e.g. in the context of a regulation for online market platforms. The Swiss Group would also favour a harmonised set of obligations applicable to

online market platforms regarding their duties to provide for the necessary information related to their business activities and third-party offerings on platforms. As such, information duties – similar to obligations under data privacy law – could be considered, together with respective punishment mechanisms for platforms which do not comply with such duties. The Swiss Group appreciates that various jurisdictions provide for a duty to include an imprint on different forms of websites. The Swiss Group, however, suggests expanding such duties to also include contact details, such as a dedicated e-mail-address and/or function for specific trademark-related concerns relevant, *inter alia*, in the context of potential notice and take-down mechanisms.

16.

What ways of use of a trademark on the internet and social media should constitute trademark infringement if there is no permission from the trademark owner? Please choose one or more answers from the following choices:

- a) use to sell a product or service online;
- b) use as a keyword (in a search engine or ranking at a platform);
- c) use as a metatag;
- d) use as a hashtag;
- e) use in a review posting;
- f) use as the name of a social media account or an online shop name;
- g) use for a comparison;
- h) use to endorse or promote another party's product or service;
- i) other, namely _____

The Swiss Group believes it to be important – also in light of harmonisation efforts – to ensure that a case-by-case analysis remains the default and that none of the uses described hereinafter should per se constitute trademark infringement without consideration of all the factors required for establishing a trademark infringement in a particular case.

This being said, the Swiss Group considers that, from a harmonisation perspective, the following uses of a trademark on the internet and social media should constitute trademark infringements if there is no permission from the trademark owner for such use:

- a) use to sell a product or service online;
- b) use as a keyword;
- d) use as a hashtag;
- f) use as the name of a social media account or an online shop name;
- h) use to endorse or promote another party's product or service;
- e) other, namely use in an e-mail-address.

The following uses of a trademark on the internet and social media should not constitute trademark infringement even if no permission from the trademark owner for such use has been granted:

- c) use as a metatag;

- e) use in a review posting;
- g) use for a comparison.

17.

Should there be any different tests applying to online trademark infringement compared with traditional offline trademark infringement? Please answer YES or NO. If YES, please state which.

No.

18.

What factors should be taken into account when assessing whether there is jurisdiction regarding the use of a trademark online (on a website or app)? Please choose one or more answers from the following choices:

- a) whether the consumers in the country or region can access the website or app;
- b) whether the server of the website or app is located in the country or region;
- c) whether the website or app uses a local language of the country or region;
- d) whether the website or app allows to pay in the local currency of the country or region;
- e) whether goods/services are delivered to consumers in the country or region by the user of the trademark on that website or app;
- f) whether there is any business facility of the user of the trademark in the country or region;
- g) whether there are any promotional activities targeting consumers in the country or region by the user of the trademark;
- h) other, namely _____

The Swiss Group believes that online use should only be considered as use in a particular jurisdiction if the use has a commercial effect in that jurisdiction. Accessibility of a website or app (lit. a) in a particular jurisdiction should be a prerequisite for a commercial effect in that jurisdiction, but not in itself sufficient for a commercial effect. To assess whether there is a commercial effect, the factors mentioned under lit. c) to g) may be taken into account, as well as the factors set forth in the WIPO Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet of 2002. However, in the Swiss Group's view, the location of the server hosting the website or app (lit. b) should not be relevant.

19.

a) Should the use of another party's trademark as a keyword in keyword search advertisement services without the trademark owner's permission infringe that trademark? Please answer YES or NO.

Yes.

b) If YES, under which conditions should trademark infringement be established?

In the Swiss Group's view, if the third-party trademark appears in the advertisement itself, this should generally be considered a trademark infringement, unless the user of the keyword is entitled to use the trademark (e.g. resellers). However, the Swiss group believes that there should, from a Swiss perspective, be less reluctance to assume a trademark infringement even if the third-party trademark does not appear in the advertisement itself. There are consumers, in particular of the older generation, who are less familiar with online search engines and may assume that what appears at the top of the search results are the most relevant hits. A likelihood of confusion amongst a not insignificant portion of relevant consumers should be sufficient to assume a trademark infringement. Furthermore, there seems to be a tendency to reduce the distinction between advertisements and search results. Therefore, even if the third-party trademark does not appear in the advertisement itself, a trademark infringement should be assumed, unless the distinctions between the advertisements and the search results are so clear that a confusion of advertisements with search results can reasonably be excluded.

Further, offering internet referencing services allowing customers to use another party's trademark as a keyword as such should not be considered a trademark infringement. However, the service provider should in principle be liable for contributory infringement if the keyword is used in a trademark infringing manner. However, given the crucial role that internet search engines play in an information society, a trademark infringement should only be assumed if the service provider has either taken an active role in the infringement or if it has failed to expeditiously remove the infringing advertisement upon obtaining knowledge of the infringement. Such service providers should also be required to provide easy ways of notifying them of infringements.

20.

a) Should online market platforms provide services to stop trademark infringement on their platform? Please answer YES or NO.

Yes.

b) If YES, what services should be provided? Please tick the below boxes that apply:

- notice and take-down
- shop-shut down
- initiative policing and investigation of trademark infringement
- authentic products verification
- trademark recording system
- other, namely _____

21.

a) Should a social media influencer bear liability for his or her endorsement of a product or service infringing another party's trademark? Please answer YES or NO. Yes.

b) If YES, under which conditions should trademark infringement be established?

In the Swiss Group's view, a social media influencer should be liable for trademark infringement if the influencer is promoting infringing goods or services in the course of trade. This can specifically be assumed where an influencer shares social media posts or provides a link to a website where the infringing products are offered for sale.

IV. Other

22.

Please comment on any additional issues concerning any aspect of trademarks and the internet and social media you consider relevant to this Study Question.

Virtual realities and virtual goods raise trademark-related issues that go beyond those usually encountered in

relation to websites and social media. These questions include, for example, whether physical goods and virtual goods (e.g. a physical purse and a virtual purse) can be considered similar; whether different virtual goods (e.g., virtual shoes and virtual cars) can be considered similar; at what point use of virtual goods constitutes use in commerce; and in which jurisdiction(s) use taking place in virtual worlds may be located (both for infringement and genuine use). Virtual goods also pose challenges with respect to filing strategies, namely which goods and services to claim and where to file. These questions and challenges are not new, but may become more relevant in light of the rise of the metaverse. Addressing them would go beyond the scope of this Report, but they could be dealt with in future Study Questions.

23.

Please indicate which industry/cultural sector views provided by in-house counsel are included in your Group's answers to Part III.

The Swiss Group did not include any in-house counsel.

Zusammenfassung

Die Study Question Q281 der AIPPI befasst sich mit verschiedenen Fragen im Zusammenhang mit Marken und dem Internet sowie den sozialen Medien. Unter anderem wird untersucht, welcher Kennzeichengebrauch (z.B. als Hashtag, Metatag oder Keyword) eine Markenverletzung darstellen kann, unter welchen Voraussetzungen bestimmte Akteure wie Keyword-Anzeigendienste oder Social-Media-Influencer eine Verantwortlichkeit für Markenverletzungen trifft oder wo eine online begangene Markenverletzung zu verorten ist. Die Study Question befasst sich ausserdem mit der Frage, wie Online-Markenverletzungen behandelt werden sollen, insbesondere durch Online-Plattformen.

Der erste Teil des Berichts der Schweizer Gruppe fasst die Rechtslage in der Schweiz *de lege lata* zusammen. Der zweite Teil befasst sich mit Verbesserungspotential des geltenden Schweizer Rechts. Während die Rechtsdurchsetzung im Online-Bereich schon immer schwierig war, wurde sie in letzter Zeit insbesondere aufgrund der Datenschutzgesetzgebung weiter erschwert. Die Schweizer Gruppe würde insbesondere Klarstellungen in Bezug auf den verletzenden Gebrauch, die Haftung von Providern und Gehilfen oder zusätzliche Rechtsdurchsetzungsmassnahmen wie die Beschränkung der Abrufbarkeit von Websites, welche markenverletzende Waren anbieten, begrüssen. Im letzten Teil geht der Bericht auf die Frage ein, ob eine Harmonisierung in Bezug auf den Markenschutz im Internet und in den sozialen Medien wünschenswert wäre, was die Schweizer Gruppe bejaht.

Résumé

La Study Question Q281 de l'AIPPI traite de diverses problématiques relatives aux marques, à l'Internet et aux médias sociaux. Elle examine notamment quels types d'usage d'un signe distinctif (p.ex. en tant que hashtag, metatag ou mot-clé) peuvent constituer une violation du droit à la marque, à quelles conditions certains acteurs tels que les services de publicité par mots-clés ou les influenceurs œuvrant sur les médias sociaux sont responsables d'une violation du droit à la marque, ou comment déterminer le lieu de la violation du droit à la marque lorsque cette violation a été commise en ligne. La Study Question aborde en outre la manière dont les violations de marques en ligne devraient être traitées, en particulier par les plateformes en ligne.

La première partie du rapport du Groupe suisse résume la situation légale en Suisse *de lege lata*. Dans la deuxième partie, le rapport aborde le potentiel d'amélioration du droit suisse en vigueur. Alors que la mise en œuvre du droit à la marque dans le domaine en ligne a toujours été difficile, elle est récemment devenue encore plus ardue, notamment en raison de la législation sur la protection des données. Le Groupe suisse apprécierait en particulier des clarifications statutaires concernant l'usage illicite, la responsabilité des fournisseurs et des complices, ou l'élaboration de mesures supplémentaires renforçant la mise en œuvre du droit à la marque tels que la restriction de l'accessibilité des sites web offrant des produits en violation du droit des marques. Dans la dernière partie, le rapport aborde la question de savoir si une harmonisation de la protection des marques sur Internet et les médias sociaux serait souhaitable, ce à quoi le Groupe suisse répond par l'affirmative.