

## The SWISSE case: res judicata in administrative proceedings and deceptiveness

Vincenzo Melilli Bugnion SpA 24 April 2025



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- The General Court confirmed that the mark SWISSE was not deceptive per se at the time of filing
- There was no inconsistency between the information conveyed by the trademark and the actual origin of the goods at the relevant date
- EUIPO decisions are not judicial; therefore, the principle of res judicata does not apply to them

In <u>Giuliani SpA v EUIPO</u> (Case T-442/2023, 2 April 2025), the General Court (Third Chamber) has put an end to a longstanding dispute regarding two main points, namely res judicata in administrative proceedings and deceptiveness.

At issue was a trademark application filed on 2 July 2003 for the following mark in Class 5:



## **Procedural** issue

The applicant raised a first plea arguing that the EUIPO's Board of Appeal had ruled *ultra petita* and breached the principle of *res judicata*. In particular, it claimed that the Board of Appeal had reassessed a factual point – whether the mark SWISSE indicated geographical origin – that had not been disputed in the appeal. According to the applicant, the EUIPO's Cancellation Division had already established the point so that the board should not have re-evaluated the facts.

The General Court held that EUIPO decisions are administrative, not judicial; therefore, *res judicata* does not apply. Further, under Articles 66 to 70 of Regulation 2017/1001, an appeal against a Cancellation Division decision suspends its effect.

In addition, while the applicant claimed the board had gone beyond the arguments made by the intervener, the court found that the intervener had consistently disputed that consumers would associate the mark with a Swiss origin, arguing instead that SWISSE was ambiguous and not equivalent to 'Swiss'. Therefore, the board had not exceeded its powers.

## The merits: deceptiveness

The applicant challenged the Board of Appeal's decision not to invalidate the trademark SWISSE, arguing that it was deceptive under Article 7(1)(g) of Regulation 40/94 due to its implication that the goods originate from Switzerland. The applicant claimed that consumers associate Switzerland with quality in wellness and pharmaceutical products, and that the mark falsely suggested such origin, especially as the goods were not manufactured in Switzerland at the time of filing.

The General Court, however, upheld the board's decision. It found that the mark could be lawfully used for products manufactured in Switzerland, and thus was not deceptive *per* se at the time of filing. It reiterated that only the mark's nature at the time of filing is relevant in invalidity cases – not later use.

The court addressed legal arguments regarding the invalidity of a trademark perceived as misleading, specifically concerning the term 'Swisse'. The applicant argued that the trademark falsely implied a Swiss origin for the products, even though they were not manufactured in Switzerland. The court rejected these claims, emphasising that the relevant Swiss legislation on 'Swissness' came into effect only after the relevant date (2013), and thus could not be applied retroactively.

Therefore, the court held that the Board of Appeal had properly assessed whether the mark was inherently misleading at the time of registration. The court ultimately concluded that there was no inconsistency between the information conveyed by the trademark and the actual origin of the goods at the relevant date. As a result, this plea was dismissed.

## Comment

This decision provides guidance on *res judicata* in administrative actions. Having clarity on the EUIPO's authority to rule on some aspects that could have been overlooked in previous decisions provides a much broader chance to ascertain the truth and achieve justice. Administrative proceedings are often resolved in a few months with one set of arguments per party, but IP matters are increasingly complex in real life, requiring additional thoughts. Turning to the deceptiveness issue, while the General Court seemed to have broadened the meaning of 'descriptiveness' and 'genericness' in the past, this decision arguably narrows the significance of deceptiveness. In fact, as in this case, a superficial likelihood of deceptiveness seems to be a green light to registration.



Vincenzo Melilli Bugnion SpA vincenzo.melilli@bugnion.eu

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