World Trademark Law Report

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April 06 2005 - Switzerland Meyer Lustenberger

Rights in MAGGI mark outweigh individual's rights in his name

In *Maggi v Société des Produits Nestlé SA* (Case 4C.376/2004/Ima, January 21 2005), the Swiss Supreme Court has resolved a dispute over the domain name 'maggi.com' by ruling that the respondent's rights in its famous MAGGI trademark outweigh those of an individual called Romeo Maggi in his surname.

The disputed domain name was registered by Pro Fiducia Treuhand AG in 1996. It was later transferred to Maggi, one of the majority holders of Pro Fiducia Treuhand. He used the domain name to host a webpage for providing information about his family. The website also contained a link to a foundation called Maggi Romeo & Cornelia Stiftung für Kinder, as well as a pop-up window containing a link to 'maggi.ch'. On July 17 2001 Société des Produits Nestlé SA and Maggi-Unternehmungen AG (both hereafter referred to as Nestlé) filed a complaint with the World Intellectual Property Organization (WIPO) requesting the transfer of the domain name. Nestlé based its complaint on its rights in a MAGGI trademark. However, the WIPO panel denied the complaint.

On September 13 2002 Nestlé filed a civil action with the cantonal court of Nidwalden. Nestlé requested the court to (i) order Maggi to assign the domain name to Nestlé without any compensation, or (ii) declare the domain name invalid, requiring the domain name registrar to cancel the registration. As a preliminary measure, Nestlé asked the court to enjoin Maggi from assigning or cancelling 'maggi.com' until the end of the court proceedings. In response, Maggi sought dismissal of the claim and counterclaimed for reimbursement of Sfr38,884.45 (including 5% interest) for expenses incurred in connection with the WIPO proceeding.

The Nidwalden court upheld Nestlé's claim and ordered the transfer of 'maggi.com' to Nestlé without compensation. Maggi appealed to the Swiss Supreme Court.

The court affirmed the earlier decision. It held that domain names are signs that have similar attributes to names, trade names and/or trademarks, and consequently they need to be distinguishable from signs protected by third parties, such as trademarks. The main issue for the court was the balancing of the interests of the parties in the sign 'Maggi'. On the one hand, Nestlé owns the MAGGI trademark and uses the trade name for various products; the mark is considered to be a famous trademark pursuant to Article 15 of the Swiss Trademark Act. On the other hand, Maggi is entitled to use Maggi as his own family name.

Following its own case law in this area, the Supreme Court ruled in favour of Nestlé. It held that the average internet user performing a search for the term 'Maggi' would be basing this search on the famous mark and not the surname of an individual. Accordingly, the mark could be diluted as a result of confusion with the family name of an unconnected person.

The Supreme Court rejected Maggi's argument that he was using the domain name for personal purposes. It stated that this was irrelevant as the content of his website was aimed at the general public.

This decision simply affirms prior Swiss case law on this issue. Thus, what is perhaps the most interesting thing to note about this ruling is that the earlier WIPO decision was contrary to the legal practice of the country of residence of both parties involved.

Barbara K Müller, Meyer Lustenberger, Zurich