

Swiss cotton regulation for the swiss+cotton trademark

1. Name, registered office and purpose of Swiss Textiles Swiss Textile Federation

Swiss Textiles Swiss Textile Federation (referred to below as Swiss Textiles) is the general federation of the Swiss textile and garments industry. Swiss Textiles has approximately 200 ordinary and around 60 special members. It was founded in 1993 by the merger of the Textile Community Federation (GVT) and the Federation of Textile Industry Employers (VATI) and is entered in the Register of Commerce with the legal form of an association pursuant to Art.60ff ZGB. The registered office is in Zurich.

The purpose of Swiss Textiles is to safeguard and promote the interests of its affiliated member companies, in particular in the areas of employers' and social policy, economic policy, technology and environmental protection, education policy and public relations.

2. The swiss+cotton mark

The swiss+cotton mark is the trademark for Swiss cotton textiles (within the meaning of textile fabrics) which satisfy precisely defined quality standards (see Art. 3 below).

Swiss Textiles is the owner and licensor of this mark which has been registered under No. 551.915 with the Institute of Intellectual Property (IGE) in Bern as a national trademark and under No. 911.319 as an international trademark, covering the countries selected according to the Madrid system. The mark is also registered in other countries.

As the owner of the mark, Swiss Textiles has the sole right:

- to decide on the maintenance, amendment and registration of the mark;
- to grant licences for the use of the mark;
- to take the actions necessary to safeguard and defend the mark.

3. swiss+cotton criteria and established definitions

To be permitted to bear the swiss+cotton mark, cotton textiles must meet all of the conditions set out below – having regard to the new Swissness rules:

- a) The area-measured textile material must be made of at least 75% extra-long staple cotton. Definition according to the Bremen Cotton Exchange; staple length $\geq 1.13/32$ inch (≥ 35.72 mm).
- b) In the case of pool members, at least 67% of the value added in the production process must take place in Switzerland. The following procedures qualify as the production process:
 - twisting, treating or dyeing yarns
 - weaving, warp-knitting, knitting or embroidering
 - dyeing or printing and finishing of fabrics.
- c) The term "value added in Switzerland" means the cumulative manufacturing costs of all the production processes which take place in Switzerland pursuant to Art. 48c nMSchG (twisting, knitting/weaving, embroidering, finishing/printing/dyeing/treating or partial processes effected in Switzerland, including the costs of research and development, together with quality assurance and certification prescribed by law or governed by uniform regulations throughout the industry), but excluding the margin of manipulators and dealers.

The calculation does not include the costs of natural products, raw materials and intermediate products which cannot be made at the place of manufacture because of natural conditions or are not available there in sufficient quantities.

- d) In the case of made-up articles, the outer fabric must comply with the swiss+cotton criteria. These do not apply to the linings, inlays and added items.

4. Further requirements

- a) The pool member must either produce in Switzerland or distribute area-measured materials manufactured in Switzerland (manipulator) or be an ordinary member of the Swiss Textile Federation.
- b) The holder of a trading licence (intermediate trader) must procure the intermediate product or the finished area-measured material from a swiss+cotton pool member or from the holder of a swiss+cotton trading licence.
- c) The holder of a mark licence must procure the finished area-measured material which he uses to manufacture swiss+cotton products from a swiss+cotton pool member or from the holder of a swiss+cotton trading licence.

5. Criteria for the right to use the mark

a) Pool membership

Every ordinary member of Swiss Textiles who produces in Switzerland and is involved in the manufacture of swiss+cotton fabrics must apply for pool membership with Swiss Textiles. This right is likewise open to the manipulators. Pool membership is valid in each case for one year. Pool membership is confirmed in writing by Swiss Textiles.

b) Commercial licence agreement

The commercial licensee must be a company which procures fabrics bearing the swiss+cotton mark from one or more pool members and/or from a company which likewise holds a commercial licence. The fabric may be sold on without change or undergo further processing in compliance with the swiss+cotton criteria to obtain the finished swiss+cotton fabric. Swiss Textiles shall take the final decision on the award.

c) Trademark licence agreement

The trademark licensee must be a company which procures fabrics bearing the swiss+cotton mark and goes on to process them to obtain complete articles.

The licensee may apply to make use of the swiss+cotton mark for all of his swiss+cotton products exclusively for the identification of these goods. The entitlement to identify the products with the swiss+cotton mark arises when the license is granted by Swiss Textiles. Swiss Textiles takes the final decision on the definitive award.

6. Use of the mark

- a) Swiss Textiles grants the licensees and pool members the right to use the mark for the contractual period in compliance with the rules laid down in the regulation and the CD-Manual.
- b) Swiss Textiles confirms each year to the pool members and to the licensees in writing the validity of their membership or of the license granted.
- c) The licensees must expressly designate to Swiss Textiles the goods which are entitled to bear the swiss+cotton mark. Their quality and characteristics will be determined by Articles 3 and 4 of this regulation.

- d) The full list of goods which may bear the swiss+cotton mark is to be attached for the first time with the application for the pool membership, or for a licence. The list of goods must be updated at regular intervals in respect of the particular product segment (at least once a year) and sent to Swiss Textiles without the need for a special request to do so.
- e) The authorisation of the licensee to use the product designations is not granted until Swiss Textiles has signed the licence and is in possession of the list of goods mentioned in letter d.
- f) The owner of a trademark licence must send to Swiss Textiles, without any special request to do so in each case, one originally packed example bearing the price indication.

7. Product designation

- a) The licensee must provide a standard product designation, which is to be supplied in each case by Swiss Textiles, for the articles identified by the swiss+cotton mark.
 - Pool members and holders of a commercial licence will receive the adhesive labels with the supplement “A supply chain member of” and the neutral adhesive labels free of charge.
 - Holders of a trademark licence will receive free of charge each year 2,000 copies of a standard product designation. Special arrangements may be agreed for licensees who use more than 100,000 pieces each year.
 - Special product designations are produced solely to order and invoiced on to the client at the effective cost.
- b) The holder of a trademark licence uses the mark only in connection with his products which meet the criteria set out in Articles 3 and 4 and which support and enhance the prestige of the swiss+cotton mark, thanks to their high quality.

He may also use the mark in advertisements, sales promotional and advertising material (Print media and electronic form) in conjunction with his own products made of swiss+cotton. He must attach the mark directly to his products or to their packaging.
- c) The pool member and the holder of a commercial licence may identify themselves according to the CD Manual as swiss+cotton suppliers.

8. Charges

- a) Swiss Textiles charges no licence fee for the right to use the mark.
- b) Pool members must pay Swiss Textiles an annual contribution of CHF 500.-- towards cost cover. An invoice for this amount will be sent in each case at the beginning of the year.
- c) Holders of a commercial licence must pay Swiss Textiles an annual cost contribution of CHF 500.- An invoice for this amount will be sent at the beginning of each year.

9. Monitoring use of the mark/verification

- a) The pool members are required to inform Swiss Textiles of the sale of swiss+cotton products according to the goods list which is to be submitted by them.
- b) The commercial licensee undertakes to give Swiss Textiles information at all times on purchasing, any further processing, sale and all stages of value creation.

- c) The trademark licensee undertakes to submit an annual report to Swiss Textiles on the production and sale of all his products identified with the swiss+cotton mark.
- d) This procedure will give Swiss Textiles a measure of control over the distribution channels and over the quantity of finished products which reach the market and are identified by the swiss+cotton mark.
- e) The list of goods is to be forwarded without special request to Swiss Textiles and must be up-to-date at all times (see Art. 6, letter e).
- f) The pool member and the commercial and trademark licensee acknowledge the right of a body appointed by Swiss Textiles to effect verifications of the lawful use of the mark and, in particular, of the goods lists submitted. The information obtained will be treated in the strictest confidence and will in no case be released to other licensees or to third parties. The verification body consists of not more than five members who are determined by the KPK (Commission for PR and collective advertising of Swiss Textiles).

10. Procedure in the event of any breach of the mark

- a) If a breach of this licence agreement is found to have occurred, Swiss Textiles is authorised to terminate the agreement without notice and may require immediate cessation of all further use of the mark. In addition, Swiss Textiles may charge a contractual penalty of CHF 10,000.-- and claim compensation over and above such penalty.
- b) Disputes concerning the interpretation and application of this regulation shall be definitively settled by Swiss Textiles.

11. Other matters and final provisions

- a) Swiss Textiles publishes a separate website for swiss+cotton (www.swisscotton.ch). This website is maintained and managed by Swiss Textiles.
- b) Swiss Textiles likewise assures the presence of a link on its homepage to www.swisscotton.ch.
- c) Swiss Textiles is entitled to decline applications for the grant of a licence, stating its reasons.
- d) The licensee acknowledges the unilateral right of Swiss Textiles to adapt this regulation at any time to changing needs.
- e) The licensee acknowledges the fact that use of the trademark is made at his own risk as far as compliance with national requirements on indications of origin is concerned.
- f) This regulation replaces the regulation of 1 September 2007 and 20 February 2012. It was revised at the meeting of 15 July 2016 and enters into force after approval by the Institute of Intellectual Property, IGE, with effect from 29 September 2016.

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