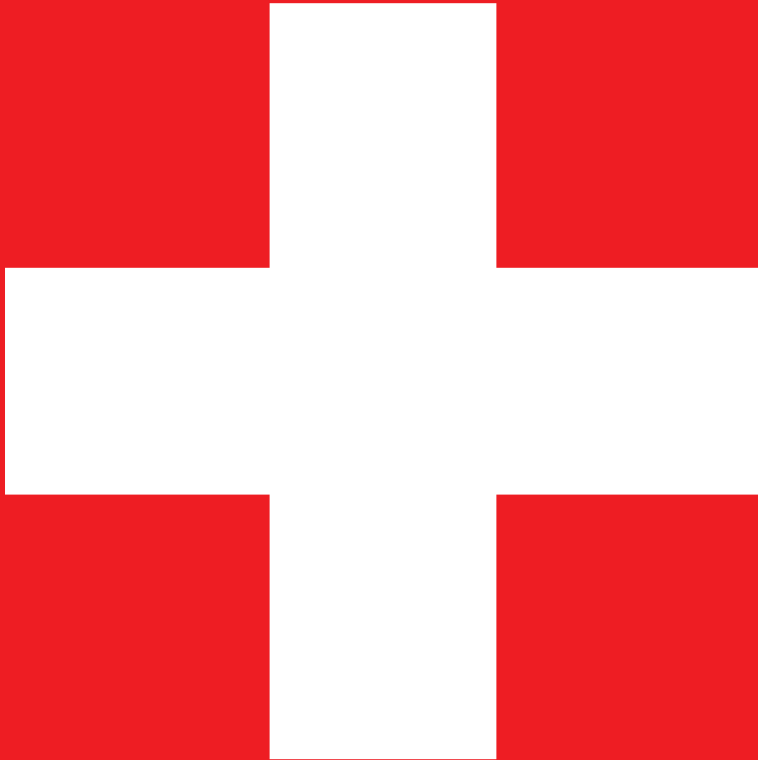




IGE | IPI

The “Swissness” legislation A brief guide



Natural products

Principle

The origin of natural products is determined based on one of the following criteria:

- **Mineral products.** These include not only stone, crystals, salt, sand and gravel, but also mineral water. Origin is determined by the place where they were extracted.
- **Plant products.** For fruit, vegetables, plants, wood, etc., origin is determined by the place where they were harvested.
- **Meat from livestock.** Meat from livestock is Swiss if the animals have spent the predominant part of their lives in Switzerland.
- **Game and fish.** Origin is determined by the place where the hunting or fishing was carried out.
- **Other animal-derived products.** This category includes products such as milk and eggs. Origin is determined by the place where the animals were kept.

Where foodstuffs are concerned, the criteria comply with the substantive provisions of food law.

For natural products, the self-supply rate is irrelevant. Beekeepers can only label their honey with a Swiss indication of source if the above requirements are met. However, if the honey is used as a raw material in a foodstuff, the food manufacturer can take the self-supply rate into account.

Services

Principle

Companies can advertise their services as Swiss provided they have an actual administrative centre in Switzerland – in other words, a place where core activities are carried out and key decisions are made, which have a direct impact on the services in question.

1) Negligible amounts

Minor quantities that do not influence the essential characteristics of the foodstuff nor lend it its name, *e.g. a pinch of salt, seasoning, microorganisms (e.g. yeast), additives or lemon juice concentrate in minimum quantities.*

2) Does not exist in Switzerland

E.g. cocoa, pineapple

3) Required quality not available in Switzerland for objective reasons

On the basis of a request/approval from the FOAG/EAER only. *E.g. tomatoes are produced in Switzerland, but they are intended for fresh consumption and are not suitable for further processing to make tomato purée.*

4) Only available in Switzerland at a rate of 15%

Self-supply rate according to the FOAG of less than 20%. **Not taken into account.** *E.g. hazelnuts*

5) Only available in Switzerland at a rate of 45%

Self-supply rate according to the FOAG of between 20% and 49.9%. **Only half of the raw materials are taken into account.** *E.g. strawberries*

6) Semi-finished product not broken down into ingredients

An **80% flat rate is applied**, provided it meets the “Swissness” requirements.

7) Semi-finished product broken down into ingredients

If manufacturers of a “Swissness”-compatible semi-finished product do not wish to apply the flat rate of 80%, they must break the product down into its ingredients (*e.g. all ingredients are 100% Swiss*).

8–10) Available in Switzerland at a rate of 85%

Self-supply rate according to the FOAG of 50% or more. **All raw materials are taken into account.** *E.g. beef*

1)	Raw material I	0.5 g	
2)	Raw material II	10 g	
3)	Raw material III	5 g	
4)	Raw material IV	9.5 g	
5)	Raw material V	25 g	
			12.5 g
6)	Semi-finished product I	25 g	
			20 g
7)	Semi-finished product II	12.5 g	
			12.5 g
8)	Raw material VI	2.5 g	2.5 g
9)	Raw material VII	2.5 g	2.5 g
10)	Raw material VIII	7.5 g	7.5 g
			46 g

General criteria

• Basis: recipe

• At least **80% of the weight** of the raw materials used must come from Switzerland. The calculation is based on the recipe and not the composition of the foodstuff.

• Calculation: annual product volume

The calculation should be based on the flow of goods in a calendar year for the product in question. If a processor has more specific data, the calculation may be based on this data.

• Essential processing step in Switzerland.

Total relevant 57.5 g

Corresponds to the sum of the raw materials to be taken into account in the example on the left (12.5 + 20 + 12.5 + 2.5 + 2.5 + 7.5)

80% from Switzerland

At least 80% of the weight of the raw materials used that are available in Switzerland must come from Switzerland.

Industrial products

General criteria

- **60% of manufacturing costs** generated in Switzerland
- Activity which gives the product its **essential characteristics**
- **An essential manufacturing step in Switzerland**

Total relevant

for calculating the "Swissness" percentage

60% from Switzerland

60% of manufacturing costs must have been generated in Switzerland.

- 1)
 - Transport **after** production
 - Packaging
 - Sales, marketing, customer service

- 2) Raw material I

- 3)
 - Research + development abroad
 - Manufacture abroad

- 4) Semi-finished product I

- 5) Semi-finished product II

- 6) Semi-finished product III

- 7) Semi-finished product IV

- 8) Raw material II

- 9)
 - Research + development in Switzerland
 - Manufacturing costs in Switzerland
 - Necessary certification and quality assurance in Switzerland

- 1) **No manufacturing costs**, as costs are incurred **after** production
- 2) **Natural product – does not exist in Switzerland**
E.g. precious metals

- 3) **Manufacturing costs generated abroad**

- 4) **Semi-finished foreign product**

- 5) **Semi-finished product**, which is not available in sufficient quantities in Switzerland for objective reasons – **material costs can be taken into account as a percentage according to availability** (e.g. 30%). *E.g. microchips*

- 6) **Semi-finished product**, which does not meet the 60% "Swissness" requirement – **material costs can be taken into account according to the Swiss portion** (e.g. 50%)

- 7) **Semi-finished product**, which meets the 60% "Swissness" requirement – **100% of material costs can be taken into account**

- 8) **Material costs**
100% as available in Switzerland

- 9) **Manufacturing costs**
100% as generated in Switzerland

Direct manufacturing costs are allocated to the product.

Indirect manufacturing costs are **broken down**.

Manufacturing costs generated abroad can be calculated either at the actual exchange rate used or the average rate used in day-to-day business.

To what extent must a product or service be ‘Swiss’ to be labelled “Swiss Made”?

The new Trade Mark Protection Act (TmPA) divides goods into three categories: natural products, foodstuffs and industrial products. The criteria for determining the origin of a service have also been modified. Use of the Swiss cross and the designation of origin “Swiss” for products and services continue to remain optional. However, if you wish to use a Swiss indication of source for promotional purposes, you must respect the criteria for determining origin as defined in the TmPA. This leaflet explains the essentials of the new regulations.

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