

Switzerland

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International legislation

Switzerland is a signatory to all the relevant international IP rights protection agreements, including:

- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Madrid Agreement and Protocol;
- the Hague Agreement; and
- the Berne Convention.

Switzerland is also a member of the proposed Anti-counterfeiting Trade Agreement for the purpose of establishing international standards on IP rights enforcement. The revised and presumably final text was released on November 15 2010.

However, Switzerland is not a member of the European Union; nor is it part of the Community trademark and Community design systems. Nevertheless, Swiss IP rights

legislation is largely harmonised with the corresponding legislation in other European countries.

National legislation

The legal framework for protecting IP rights in Switzerland consists of several statutes, including:

- the Act on the Protection of Trademarks and Indications of Source (Trademarks Act) and the corresponding ordinance;
- the Act on the Protection of Designs (Designs Act) and the corresponding ordinance;
- the Act on Patents for Inventions (Patents Act) and the corresponding ordinance;
- the Act on the Protection of the Topography of Semiconductor Products (Topography Act) and the corresponding ordinance; and
- the Act on Copyright and Neighbouring Rights (Copyright Act) and the corresponding ordinance.

These acts set out provisions relating to

the infringement of protected rights with civil law protection, penal provisions and assistance from Customs. In addition, the following acts have specific provisions regarding counterfeiting:

- the Act against Unfair Competition; and
- the Penal Code – in particular, Article 155 on the counterfeiting of goods.

On January 1 2011 the relevant procedural laws changed significantly with the unification of the 26 different procedural laws in the Swiss cantons. On that date, the federal Code of Civil Procedure and the federal Code of Criminal Procedure entered into force.

Border measures

Swiss customs territory

The principality of Liechtenstein participates in a customs union with Switzerland. As a result, Liechtenstein is also covered by Swiss border measures. However, Liechtenstein has its own trademark system and a Swiss trademark registration does not cover the territory of Liechtenstein.

Ex officio actions

According to Article 70 of the Trademark Act, Customs is authorised to notify trademark owners (or professional and trade associations entitled to bring an action) in cases where the imminent import, export or transport in transit of goods unlawfully designated with a trademark is suspected. In such cases Customs can retain the goods for three working days in order to allow for the filing of the necessary application. In effect, Customs is not obliged to act pursuant to the above-mentioned provision. To date, *ex officio* actions have been taken only in rare cases.

Application for action

Under Article 71 of the Trademarks Act, rights holders can request assistance from Customs. The application must be submitted in one of the Swiss official languages (German, French or Italian) to the Directorate General of Federal Customs Authorities (FCA) in Berne. If all the necessary information is at hand, the FCA will register the request for customs assistance within four weeks. The application is valid for two years and a fee of between Sfr1,500 and Sfr3,000 is payable to process the application. In addition, the actions taken by Customs in connection with the application for assistance are subject to additional fees (typically around Sfr300 for the destruction of counterfeits). Furthermore, in order to cover any claims for damages from third parties, a signed accountability statement must be enclosed with the application.

In order for border measures to be effective, rights holders must provide Customs with all the available information and documentation to increase the likelihood of identifying high-risk consignments. According to the FCA's factsheet, an application must contain, among other things, the following information:

- a copy of the trademark registration certificate or certificate of filing;
- specific evidence that the following should be brought into or taken out of the customs territory:
 - goods unlawfully furnished with a trademark;
 - illegally manufactured goods using a deposited design;
 - goods whose dissemination violates copyright legislation; or
 - goods which violate a patent valid in Switzerland;
- information as to whether commercially manufactured goods for personal use

should be stopped and destroyed in tourist traffic;

- any application for the delivery of samples or photos;
- any application for the destruction of goods;
- a detailed description of the goods for which the application is being made (in German, French and Italian, and in electronic form);
- a checklist of the differing features between the genuine and the fake products (in German, French and Italian, and in electronic form); and
- a list of the authorised importers of the genuine goods.

Standard procedure

On the basis of the information contained in the application for action, Customs may suspend, release or retain goods that are suspected of being counterfeit. On suspending the release of goods, Customs notifies the rights holder, which then has up to 20 working days (the initial 10-day period may be extended by another 10 working days) to inspect the goods. Customs provides the rights holder with information about the goods, including quantity; it also usually provides digital photographs and samples.

Upon confirmation that the goods are counterfeit and that the rights holder will take action, Customs provides all available details of the consignor, consignee and the declarant to the rights holder.

During this period, the rights holder may approach the infringer to request it to:

- forfeit the goods;
- remove them from circulation; and
- have them destroyed.

If the infringer objects to the destruction of the goods, the rights holder must obtain an urgent seizure order from a civil or criminal prosecutor; thereafter, civil or criminal proceedings will follow. If the rights holder fails to commence proceedings or fails to inform Customs of these proceedings, it will release the goods.

Simplified procedure

The consent of the customs declarant, processor or owner of the goods is required for the destruction of the goods. However, according to Article 72d(2) of the Trademark Act, consent shall be deemed to be granted where the customs declarant, processor or owner of the goods does not explicitly oppose destruction within the prescribed period (ie, 10 or 20 working days). This enables Customs to order the destruction of

suspected goods without a court having to determine whether an IP right has been infringed under national law. However, if the destruction turns out to have been unjustified, the injured party has a right to compensation, provided that it did not explicitly approve the destruction.

Tourist traffic

Since July 1 2008 the Trademark Act and the Design Acts provide rights holders with the right to prohibit the import, export and transit of commercially produced infringing goods, even if they are claimed to be for private (ie, non-commercial) use. The provisions target tourist traffic. In 2010 interventions in tourist traffic increased considerably.

Criminal prosecution

All IP laws provide specific penal provisions for the infringement of IP rights. In general, offences are subject to public prosecution only at the request of the plaintiff (the rights holder or any injured party). However, if the police or the public prosecutor believes that the infringer acts on a commercial basis (ie, the infringement is an essential aspect of its business), it can be prosecuted *ex officio*. Furthermore, *ex officio* intervention will apply in the case of counterfeiting of goods according to Article 155 of the Penal Code.

In addition, the IP legislation provides that the refusal of an infringer to disclose the origin and quantity of infringing objects which are in its possession, as well as the consignee and the quantity of the intended dissemination, is a criminal offence.

Remedies

Remedies in criminal proceedings may consist of:

- fines (up to Sfr40,000) and penalties (up to Sfr1.08 million);
- imprisonment of up to three years in general cases and up to five years if the offence is committed on a commercial basis;
- confiscation and destruction of goods and means for making same; and
- confiscation of assets and payment of illegally obtained profits.

A court can sentence infringers to imprisonment in combination with a fine and a penalty. Furthermore, Article 44 of the Designs Act explicitly provides that a court may decide on confiscation and destruction even if the defendant is acquitted.

Preliminary measures

The confiscation of counterfeits is a

common preliminary measure in criminal proceedings, particularly in the case of existing border measures.

Civil enforcement

The private civil enforcement of IP rights is typically initiated by a cease and desist letter to the infringer. Out-of-court settlements are common; however, the Swiss court system is also effective. The Federal Patent Court commenced operation at the beginning of 2011 and will serve as the court of first instance in patent matters for the whole of Switzerland. With regard to all other IP rights, Swiss law provides that one court is competent to hear IP cases in each of the 26 cantons. Appeal is possible to the Federal Supreme Court, but only with limited scope for reviewing errors of law.

Preliminary measures

Interim injunctions are available for the issue of orders to cease and desist, either in a separate proceeding or during the proceedings on the merits. In order to obtain an interim injunction, the applicant must credibly show that:

- its application will prevail in a proceeding on the merits (*prima facie* likelihood);
- it would suffer disadvantages which could not, or could only with great difficulty, be remedied by a sentence on the merits; and
- the matter is urgent.

Proceedings typically last from three to nine months. The judge granting the injunction may demand security from the applicant to cover possible damages caused by an injunction that is wrongfully granted. After obtaining an interim injunction, the applicant must start the procedure on the merits within 30 days in order to extend such injunction for the duration of the procedure.

Ex parte injunctions within one or two days are available, but the courts are restrictive. These are granted only if the applicant can prove the utmost urgency and that any delay might cause irreparable harm to the applicant.

Main proceedings

Proceedings start with the claimant filing a comprehensive complaint stating all the relevant facts of the case. Typically, the defendant must respond within eight weeks. Evidence is generally heard at a procedural stage, following the exchange of the main briefs. There are no pre-trial discovery and depositions in Swiss civil procedure. A two-

step procedure is often followed in IP litigation:

- the court decides on the infringement of IP rights; and
- the infringer is requested to provide information regarding the relevant figures to calculate the infringer's profits and/or claimant's damages, based on which the claimant quantifies its claim for monetary relief.

The duration of proceedings depends on the complexity of the matter. Trademark and design disputes at first instance are normally adjudicated within 18 months. Complex patent matters requiring extensive expert witness statements may take three years or more. The appellate procedure takes six to 18 months.

Court fees and cost awards depend on the amount in dispute. In principle, the losing party must pay the court fees and reimburse the legal costs of the winning party.

Remedies

In main civil proceedings, the following remedies are available if the applicable requirements are met:

- permanent injunctions;
- seizure and destruction of the infringing goods;
- compensation of damages and costs;
- surrender of infringer's profits or proceeds of wrongful enrichment;
- moral damages or compensation for violation of personal rights; and
- ancillary remedies, such as publication of the sentence.

In particular, the requirement to substantiate the extent of losses is high and it is the claimant's duty to put all relevant facts and figures before the court. Damages and surrender of infringer's profits are alternative remedies and cannot usually be ordered together. To claim the infringer's profits, bad faith is required. No fault or bad faith is required to claim surrender of the proceeds of wrongful enrichment.

Anti-counterfeiting online

The Swiss Coordination Unit for Cybercrime Control (CYCOS) is the central office for the reporting of suspect internet subject matter (www.cybercrime.ch).

Legal measures against online drugs

As Switzerland is an expensive country, the increasing reach of the Internet is leading to a rise in the private import of not only consumer goods, but also drugs originating

from unknown sources. As a result, Swissmedic and Customs collaborate closely regarding illegal imports of online drugs. Upon the seizure of goods by Customs, Swissmedic initiates an administrative procedure that results in the loss (and usually the destruction) of the drugs. Although only the costs for the work carried out are charged, these are usually at least Sfr300 and must be borne by the person who placed the order in Switzerland.

In case of repeated offences or the import of drugs that represent a threat to health, criminal proceedings against the person placing the order are also possible. In particular, the import of drugs with the intention of reselling them is vigorously pursued by Swissmedic, since trading with drugs is subject to stringent requirements.

Legal measures against internet service providers or auction sites

Several online auction sites, as well as other e-commerce sites, have policies for dealing with IP infringements. In addition, IP rights holders may notify the website owner or the internet service provider of infringing items and request their shutdown.

'ch' domain names

The dispute resolution proceedings are mandatory for '.ch' domain name holders. The proceedings are simple, rapid and inexpensive.

Preventive measures/strategies

Created in 2005, the STOP PIRACY Association (www.stop-piracy.ch) aims to mount a vigorous and long-term fight against counterfeiting and piracy through active awareness building and enhanced coordination and cooperation between, as well as within, the private and the public sectors.

One of the key measures for companies that must fight counterfeits is to ensure that their IP rights are enforceable in Switzerland (bearing in mind that Switzerland is not an EU member state), and to monitor the market – in particular, by applying for border measures and updating Customs on the latest developments regarding counterfeits. [WTR](#)

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Christian Rohner's practice focuses on the prosecution and litigation of IP rights in the fields of trademark, design and unfair competition law, with extensive experience in anti-counterfeiting actions, including customs actions. He studied law at the Universities of Fribourg (bilingual German/French) and Paris Assas. He wrote his doctoral thesis on well-known trademarks, and he obtained an LLM in intellectual property at the University of London (Queen Mary). Since 2005 Dr Rohner has been a lecturer at the University of Applied Sciences Zurich for the master of advanced studies in patents and trademarks. Swissberg is a leading IP boutique law firm offering comprehensive trademark consulting, portfolio management, and litigation. Swissberg is the member law firm for Switzerland of CAPIP.EU (Coalition Against Piracy in Europe).