

Switzerland

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Between 2006 and 2011 the value of goods seized and the number of seizures made by the Swiss customs authorities based on IP rights rose continuously; however, in 2012 there was a slight decline in the value of goods seized, as well as in the number of seizures made in a commercial context. Goods to the total value of Sfr6.1 million were seized by Swiss customs authorities in a commercial context in 2012; this figure was Sfr8.4 million in 2011. In addition, although the number of interventions by the customs authorities was identical to 2010, it was still less than in 2011; in 2012 (as in 2010) Customs made 2,741 seizures, as opposed to 3,180 in 2011. More than 80% of these counterfeits originated from China and Hong Kong. In 2012 customs authorities made 2,722 seizures in tourist traffic, as opposed to 2,624 in 2011.

Legal framework

International legislation

Switzerland is not a member of the European

Union nor part of the Community trademark and Community design systems. Consequently, the new EU Customs Regulation (608/2013), concerning customs enforcement of IP rights, which entered into force on January 1 2014, does not apply in Switzerland. Nevertheless, the Swiss IP regime is largely harmonised with the corresponding legislation in other European countries.

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

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

National legislation

The legal framework for protecting IP rights in Switzerland consists of several statutes, which also set out provisions relating to the infringement of protected rights under civil law and criminal law and assistance from Customs.

Such statutes include:

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

In addition, the following acts contain specific provisions regarding counterfeiting:

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

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 Liechtenstein.

Ex officio actions

Customs is authorised to notify rights holders in cases where the imminent import, export or transport in transit of infringing goods is suspected (see Article 70 of the Trademark Act, Article 46 of the Design Act, Article 86a of the Patent Act and Article 75 of the Copyright Act). In such cases Customs can retain the goods for three working days in order to allow for the filing of the necessary application by the rights holder. However, Customs has no obligation to act pursuant to the above-mentioned provision.

Application for action

Rights holders can request assistance from Customs under the Trademark Act, the Design Act, the Patent Act, the Copyright Act and the Topography Act. 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.

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

- a copy of the registration certificate or certificate of filing from the Swiss Federal Institute of Intellectual Property or the World Intellectual Property Organisation, or information which provides *prima facie* evidence concerning authorship;
- specific evidence of the impending import, export or transit of goods, which infringe the respective IP right;
- information as to whether commercially manufactured goods for personal use should be stopped and destroyed in tourist traffic (under trademark and design law);
- any application for the delivery of samples or photos;
- any application for the destruction of goods;
- a detailed description of the goods (if possible, including photos and drawings) for which the application is being made (in German, French and Italian, and in electronic form); and

““ The Trademark Act and the Design Act give rights holders 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 ””

“ If the police or the public prosecutor believes that the infringer is acting on a commercial basis (ie, the infringement is an essential aspect of its business), it can be prosecuted *ex officio* ”

- a checklist of the differences between genuine and fake products (in German, French and Italian, and in electronic form).

The FCA will usually register the request for customs assistance within four weeks, if all the required information is provided. The application is valid for two years and a fee of between Sfr1,500 and Sfr3,000 is payable to process the application. The actions taken by Customs in connection with the application for assistance are subject to additional fees (typically approximately Sfr300 for the destruction of counterfeit goods). Furthermore, in order to cover any claims for damages from third parties, a signed accountability statement must be enclosed with the application. Where justified, the FCA may demand the provision of security.

Standard procedure

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

On 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; or

- 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 court or criminal prosecutor; civil or criminal proceedings will follow. If the rights holder fails to commence proceedings or fails to inform Customs of these proceedings, Customs 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, consent shall be deemed to have been given where the 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 approve the destruction in writing.

Tourist traffic

The Trademark Act and the Design Act give rights holders 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 goods (ie, goods which are carried by an individual over the border without the intention to sell or trade such goods).

Criminal prosecution

All Swiss IP laws provide specific criminal 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 is acting 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.

Preliminary measures

The confiscation of counterfeits is a common preliminary measure in criminal proceedings, particularly in the case of existing border measures.

Remedies

Remedies in criminal proceedings may consist of:

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

“ After obtaining an interim injunction, the applicant must start the main proceedings on the merits within a period set by the court (usually 30 days) in order to extend such injunction for the duration of the proceedings ”

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

Civil enforcement

The private civil enforcement of IP rights is typically initiated by sending a cease-and-desist letter to the infringer. Out-of-court settlements are common; however, the Swiss court system is also effective.

Preliminary measures

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

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

Preliminary measures 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 main proceedings on the merits within a period set by the court (usually 30 days) in order to extend such injunction for the duration of the proceedings.

Ex parte injunctions are available within one or two days, 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 plaintiff filing a comprehensive complaint stating all relevant facts of the case. Typically, the defendant must respond within eight weeks. Evidence is generally heard at a procedural stage, following

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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 plaintiff’s damages, based on which the plaintiff 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 plaintiff’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 Cybercrime Coordination Unit Switzerland is the central office for the reporting of suspicious internet activities (www.cybercrime.ch).

Legal measures against online drugs

As Switzerland is an expensive country, the increasing reach of the Internet has led to a rise in the private import of not only consumer goods, but also medicines originating from unknown sources. The result is that consumers can endanger their health. As a result, Swissmedic and Customs collaborate closely regarding illegal imports of online drugs. On the seizure of goods by Customs, Swissmedic initiates an administrative procedure that results in the loss (and usually the destruction) of the medicine. Although only the costs of the work carried out are charged, these are usually at least Sfr300 and must be borne by the party which placed the order in Switzerland.

In case of repeated offences or the import of medicines that represent a threat to health, criminal proceedings against the party placing the order are also possible. In particular, the import of medicines with the intention of reselling them is vigorously pursued by Swissmedic, since trading in medicines is subject to stringent requirements (notably, the need for a licence).

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, rights holders may notify the website owner or the internet service provider of infringing items and request their takedown.

‘.ch’ domain names

The dispute resolution proceedings are mandatory for ‘.ch’ domain name holders. The proceedings are simple, fast and inexpensive.

Preventive measures/strategies

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 public sectors.

Key measures for companies that must fight counterfeits are 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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