

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS AROUND THE WORLD

Legislation, Case law and Commentaries

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1. INTRODUCTION

Switzerland is not a Member State of the European Union. However, due to its geographical location it is closely linked with the EU. Whether or not and how the mandatory regulations of the EU are to be implemented is a highly discussed political and social topic. Thus, the author briefly highlights the respective intellectual property rights and points out certain differences and novelties:

The internet and digitalisation have irrevocably changed our society in the past years. The Swiss copyright law was no longer in keeping with this change. In September 2019, the Swiss parliament passed several reforms to modernise Swiss copyright law. The revised law came into force on 1 April 2020. For example, photographs are now protected regardless of their individual character and stay-down-obligations for hosting providers have been introduced. However, private use of works protected by copyright is still permitted.

In contrast, design law has remained comparatively unchanged. This is not a surprise: the total revision of the design law entered into force on 1st July 2002. Thus, it is a comparatively young law. In Switzerland, the opportunities and possibilities a design offers are still underestimated. The filing procedure is simple, the costs low and it offers an ideal alternative

In the field of patent law, the Swiss legislator has opted for regional exhaustion in line with the EU. However, they have deviated on several occasions. In the near future, participation in the European patent will impose itself. This is of central importance for Switzerland: the challenge lies in not suffering a factual downgrade in the area of patent law. Additionally, it is worth mentioning that Switzerland – as other states in the European Patent Organisation which are not Members of the European Union – cannot join the European patent jurisdiction according to an expert report of the European Court of Justice (ECJ). In 2009, the Federal Council presented a comprehensive dispatch on the amendment of trademark protection under the name "Swissness". The term "Swissness" refers to the designation "Switzerland" as an indication of origin of goods or services. The "Swissness" legislation entered into effect on 1 January 2017 and created various criteria for using "Switzerland". Goods are separated into natural products, foodstuff and industrial products. Regarding natural products, the criteria depend on the type of product. The foodstuff criterion requires that the essential processing step occurs at the place of origin; 80% of the weight of the available raw materials must come from that place. In the case of industrial products, the main manufacturing step and the manufacturing costs incurred at the place of origin - at least 60% - must originate in Switzerland. Furthermore, a service is only considered Swiss if the domicile and the *de facto* place of administration of the service provider are in Switzerland.

2. GENERAL

I. Legislation on IP enforcement

A. International regulations, treaties and conventions

Switzerland has concluded and ratified various agreements in the field of intellectual property law. One of the most important treaties is the Paris Convention for the Protection of Industrial Property. Switzerland has also concluded and ratified the Agreement on Trade Related Aspects of Intellectual Property Rights, including Trade Counterfeit Goods from 15 April 1994 (TRIPS). The latter forms the basis of the following chapters.

Furthermore, the Madrid Agreement Concerning the International Registration of Marks (Madrid Agreement), the Protocol relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) and the Convention on the Grant of European Patents of 5 October 1973 (EPC) are worth mentioning, even though the practical significance of the Madrid Agreement is very small since all of the 55 members joined the Madrid Protocol. Besides that, Switzerland has ratified the Trademark Law Treaty (TLT) as well as the Singapore Treaty on the Law of Trademarks (Singapore TLT).

Apart from these international agreements exist several bilateral agreements. One of them is the Convention of 13 April 1892 between Switzerland and Germany concerning the Reciprocal Protection of Patents, Designs and Trademarks. This is particularly important because of the closely linked economy and the common language. Other existing bilateral agreements mostly concern the protection of geographical indications and indications of source.

B. Primary and secondary law

Different Federal Acts and the related implementation rules regulate the substantive law in each field of intellectual property separately. For trademark law, regulation is provided by the Federal Act on the Protection of Trade Marks and Indications of Source (Trade Mark Protection Act, TmPA) and the Ordinance on the Protection of Trade Marks and Indications of Source (TmPO).

In contrast, the procedural law is regulated in a more or less uniform manner for all kind of intellectual property rights. The Swiss Civil Procedure Code (Civil Procedure Code, CPC) governs the civil procedure, whereas the administrative procedure is subject to the Federal Act on Administrative Procedure (Administrative Procedure Act, APA).

The Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (Lugano Convention), other multinational conventions and the Federal Act on Private International Law regulate the procedural law, international jurisdiction and the governing substantive law in cross-border cases.

C. Important case law

The important case law will be mentioned within the respective chapters and in the respective footnotes. However, the following decisions are worth mentioning:

The decision of the Federal Supreme Court 4A_299/2017 of 2 October 2017 is of particular interest with regard to the United Kingdom, where the England and Wales High Court had to rule a similar case.¹ The final decisions turned out equally similar:

The starting point in Switzerland was the lawsuit brought by the holder of the trademark ABANCA (fig.) against the holder of the trademark ABANKA (fig.). The plaintiff sought a declaration of nullity of the trademark ABANKA (fig.), which was based on the fact that the trademark had not been used over the previous five years. By decision of 22 February 2017, the Commercial Court of the Canton of Berne approved the claim and declared the trademark ABANKA (fig.) – regarding Switzerland – null and void. The defendant appealed against this decision before the Federal Supreme Court.

The appellant invoked an infringement of the provision on admissible evidence. They saw a violation in the fact that the lower instance had considered a private use research to be suitable for substantiating the non-use of a trademark and based its decision decisively on this. The appellant argued that this contradicts the jurisprudence of the Federal Supreme Court, according to which expert opinions brought forward by the parties are merely assertions without any inherent evidentiary value.

It is true that a private expert report does not constitute evidence within the meaning of the invoked provision and is merely considered as a party assertion. However, allegations based on a private expert opinion will usually be particularly substantiated. Moreover, under certain circumstances, party expert reports may be used together with circumstantial evidence to prove a fact. This must apply even more if no strict proof is required, but a fact must merely meet the lower standard of credibility. As a credible substantiation of non-use, doctrine mentions in particular research reports documenting the unsuccessful survey of the relevant suppliers and dealers, advertising material relating to the relevant period, internet sites and other product and business documentation of the trademark owner or negative research results. A survey performed by a specialist in the relevant industry may also be considered.

In the procedure before the commercial court, the defendant had submitted a search for use, the correspondence between the parties regarding (non-)use and a brief search for use carried out by themselves in order to substantiate the non-use of the trademarks in question in Switzerland. The lower instance had stated that it was undisputed that the appellant had no office, no representation and no employees in Switzerland. Furthermore, the party hearing with the appellant had shown that they did not advertise their products in Switzerland. The brief searches carried out by the appellant themselves contained various indications of the non-use of the disputed marks in Switzerland, such as the results of the online search for advertising or other activities in Switzerland and the appellant's online presence. A specialised third-party company had carried out the search. Concluding that there was no use in Switzerland that would preserve the rights of the trademarks in question, was thus confirmed by further undisputed facts or evidence.

Furthermore, the Federal Supreme Court held that the appellant's other complaint, according to which the lower court had applied too high a threshold for the proof of use, was not applicable:

According to jurisprudence and doctrine, the right-preserving use must be serious, i.e. it must be based on the intention to satisfy any demand, without however having to achieve a certain minimum turnover. In order to be serious, the use must be economically reasonable and not merely apparent. The use must then be proven within the country. Finally, use must be functional

¹ Abanka DD v Abanca Corporacion Bancaria SA [2018] Bus LR 612.

as a means of identifying the goods or services claimed; the trademark must be used in a way that is understood by the public as a distinctive sign. The assessment as to whether there is a serious use of the mark is based on the perception of the customers to whom the range of goods and services claimed is directed. The circumstances of the case must be considered, in particular the practices of the economic sector in question.

The complainant also argued that the lower instance had not taken into account the competitive market environment, i.e. the high number of banking services offered in Switzerland by domestic and foreign providers and the fact that the complainant had no branch or representation in Switzerland. In this regard, the Federal Supreme Court held that it was not apparent how such an argument would help the complainant. Rather, it is precisely the market cultivation that should be so intensive that it appears suitable to gain or maintain market shares, if this requires a particularly increased presence in a competitive environment.

As a result, the Federal Supreme Court confirmed the decision of the Commercial Court of the Canton of Bern, which declared the nullity of the trademark ABANKA (fig.) due to non-use in Switzerland.

In addition to the decision above, the following is to be highlighted: In July 2017, the Federal Supreme Court had to deal with the question of copyright protection and the work-individuality of a barstool. A foundation aiming to preserve the works of Max Bill terminated the license agreement with a furniture manufacturer due to alleged breaches of contract. The manufacturer raised opposition and argued that no industrial property rights exist on the furniture. The plaintiff subsequently filed the following legal request with the Commercial Court of the Canton of St. Gallen: "the defendant is to be prohibited from manufacturing or selling chairs in the form of the "HfG Barhocker" himself or through third parties under threat of penalty for their officers according to Article 292 Swiss Criminal Code in the case of infringement."

The Commercial Court dismissed this appeal on the grounds, among others, that barstools had been well-known seating furniture since time immemorial and that, in principle, almost all the elements of the "HfG Barhocker" had already been used in various forms in older models. The plaintiff filed an appeal against this with the Federal Supreme Court, which was approved.

In its decision, the Federal Supreme Court first recalls the principles of copyright protection, according to which the protection of works of applied art requires an intellectual creation of an individual character. However, this does not require originality in the sense of a personal imprint, but an individuality of the work. What is protected is what distinguishes itself as an individual or original creation from the actual or natural preconditions within the framework of the intended purpose. In case of doubt, especially if there is no room for individual or original features due to the purpose of use, a purely technical achievement is to be recognized.

The Federal Supreme Court further criticises the "mosaic-like" division of previously known geometrical features into individual elements: Such a division and the individual comparison of each element is inadmissible. A piece of furniture is protected by copyright if an individual artistic design that goes beyond a purely technical or industrial work is discernible and clearly stands out from the previously known forms. This may also be the situation if a new style was neither introduced nor substantially used. In addition, a work of applied art must, with regard to the overall impression and based on the assessment of a person interested in purchase, stand out significantly from the known prior art. Finally, the Federal Supreme Court states that the artistic impression of the "HfG Barhocker" is not functionally conditioned, but rather shows individual character due to the minimalist design of the necessary elements and the conditioned proportions. Thus, the barstool is protected by copyright.

II. Jurisdiction and competence

A. Competence of local courts

Switzerland has a special federal structure and consists of 26 sovereign cantons. Each of them designates a court that has jurisdiction as the sole cantonal instance for civil disputes in connection with intellectual property rights, including disputes concerning the nullity, ownership, licensing, transfer and violation of such rights. This court is also competent for interim measures before an action is pending.²

As an exception to this general rule, the Federal Patent Court has exclusive jurisdiction over disputes in respect of patents including preliminary measures before an action becomes pending and the enforcement of decisions made under its exclusive jurisdiction. It even has jurisdiction in other civil actions that have factual connection to patents.³

As a fact, various infringement actions offer differing territorial jurisdiction. Besides the common jurisdiction at the seat of the defendant, it is also possible to institute legal proceedings at the place of action or place of occurrence. The same applies to the scope of the Lugano Convention. As far as interim measures are concerned, the jurisdiction lies with the court, which is responsible for the main issue.

Moreover, there is also the possibility to invoke the civil infringement action in criminal proceedings. The injured party can assert certain civil claims together with the criminal complaint or in the course of the criminal proceedings. The local criminal court is then also responsible for the infringement lawsuit. Factually, a criminal procedure in Switzerland would be enough to charge a respondent living abroad. However, this requires that the criminal procedure is coherent with the civil claims.⁴

Another exception to this rule is the Institute for Intellectual Property (IPI). It has exclusive jurisdiction regarding the administrative proceedings. Thus, it has exclusive jurisdiction in trademark matters – besides the registration procedure – for the opposition procedure as well as for the cancellation procedure due to non-use.

B. Appellate review

The Federal Supreme Court acts as the appeal body of the cantonal courts and the Federal Patent Court. However, as far as trademark law is concerned with the opposition and cancellation proceedings due to non-use, the appeal procedure is different: In these cases, the appeal body is the Federal Administrative Court. In the opposition procedure, the decision of the Administrative Court is final, whereas in the cancellation procedure due to non-use it may be appealed before the Federal Supreme Court.

In contrast, criminal law retains the Swiss principle of 'double instance' at the cantonal level: each canton must have a lower court and a higher court. Only decisions of the higher courts can be the subject of an appeal to the Federal Supreme Court.

C. Position towards cross-border decisions

² Art. 5 Swiss Civil Procedure Code (Civil Procedure Code, CPC).

³ Art. 26 Federal Act on the Federal Patent Court of 20 March 2009 (Patent Court Act, PatCA).

⁴ David et al.: SIWR 1/II (3rd edn, 2011) 182.

Foreign decisions are not directly enforceable in Switzerland. However, simplified procedures for member states of the Lugano Convention exist. In addition to the regular national procedural criteria, the only question examined is whether the decision is a decision fulfils the requirements of Article 32 Lugano Convention. It must be examined whether it is issued in one contracting state and declared enforceable in another, whether it is within the scope of the convention, whether it is enforceable and sufficiently determined in the sentencing state, and whether the necessary certificates are available.⁵ The enforcement itself is not affected by the Lugano-Convention and is governed by the law of the executing state.

In contrast, foreign decisions outside the scope of the Lugano Convention are only enforceable if a treaty exists or if enforcement is provided for in the Federal Act on International Law. The problem lies in the fact that foreign judgments are only recognized in Switzerland if the defendant was domiciled abroad and the decision was made in the country of residence or in a foreign location where the event which gave rise to the harm occurred or the place where the harm arose.⁶

There are various uncertainties with regard to the international enforcement of preliminary measures. To date, the Federal Supreme Court has not yet answered the question of whether a preliminary measure taken outside the Lugano Convention is enforceable in Switzerland. Even within the scope of the Lugano Convention, it is not clear whether the ordered measures have to be compliant with the restrictive conditions developed by the ECJ for preliminary measures. In the case of *ex-parte* interim measures, the Federal Supreme Court affirms that the right to be heard is adhered to if the defendant is only heard after the decision, whereas the ECJ requires a hearing prior to the decision.

⁵ Dieter A. Hofmann, Oliver M. Kunz, Art. 41 N 6 ff. in Christian Oetiker, Thomas Weibel, Basler Kommentar Lugano Übereinkommen (2nd edn, 2016).

⁶ David et al.: SIWR 1/II (3rd edn, 2011) 768.

3. CIVIL AND ADMINISTRATIVE IP ENFORCEMENT

I. Persons entitled to apply for IP enforcement measures and remedies

A. Right holders

The provisions of each State decide whether, to whom, under which conditions and in what form an exclusive right in intellectual property is granted.⁷ In Switzerland, the respective federal laws determine the ownership. The question about the right holder is particularly relevant for the capacity to sue.

In the case of register rights such as patent, design and trademark, the respective register determines the owner. The owner is the person entered as such in the register. In contrast, the mere filing or registration of an application is not sufficient.⁸ Article 33 paragraph 2 PatA states that, if two or more persons own the right, each entitled person may enforce the right only with the consent of the others. However, each one may independently dispose of his part or bring an action for infringement of the patent. Such a legal community can be either a joint ownership or a community of part owners.⁹

In contrast, copyright law provides a general presumption that the author is the copyright owner; the author is the natural person who creates the work.¹⁰ There is no register. Where two or more persons have contributed as authors to the creation of a work, copyright belongs to all these persons jointly. Each joint author may independently bring an action for infringement, but may only ask for relief for the benefit of all.¹¹

B. Licensees

In contrast to the right holder and with regard to the licensees, a standardisation has taken place within the legislative revisions. Each intellectual property law contains a corresponding statutory provision: Any person who holds an exclusive licence is entitled to bring a separate action irrespective of the registration of the licence in the register unless this is expressly excluded in the licence agreement. Any such licensees may join an infringement action in order to claim their own damages.¹² Other contracting parties, e.g. without an exclusive licence, are not wholly without protection. At the very least, they are entitled to bring an action based on unfair competition law.¹³

C. Other eligible parties

The aforementioned right holders and licensees are generally regarded as aggrieved or injured parties in the event of an infringement of property rights. Therefore, they have the capacity to sue. The aggrieved or injured party may but are not obliged to be identical. From a tax point of view, it may sometimes make sense to register intellectual property rights in the name of a majority

⁷ Gion Jegher, David Vasella, Art. 110 N 10 in Honsell et al., Basler Kommentar Internationales Privatrecht (3rd edn, 2013).

⁸ Eugen Marbach, Patrik Ducrey, Gregor Wild: Immaterialgüter- und Wettbewerbsrecht (4th edn, 2017) 215.

⁹ Mark Schweizer, Art. 33 N 12 in Mark Schweizer, Herbert Zech, Stämpfli Handkommentar Patentgesetz (1st edn, 2019) with reference to Eugen Marbach, Rechtsgemeinschaften an Immaterialgüterrechten (Bern, 1987) 53.

¹⁰ Art. 6 CopA.

¹¹ Art. 7 para. 3 CopA.

¹² Art. 55 para. 4 TmPA; Art. 35 para. 4 DesA; Art. 62 para. 3 CopA; Art. 75 PatA.

¹³ David et al.: SIWR 1/II (3rd edn, 2011) 219.

shareholder or a sole shareholder. For example, a company will use the trademark and in the event of an infringement, the primarily aggrieved party is the company and not the registered owner.¹⁴

In the field of competition law, the person threatened or injured by unfair competition in their clientele, their credit or professional reputation, in their business operations or otherwise in their economic interests possesses the capacity to sue.¹⁵ This refers primarily to right holders and licensees.

The Federal Act against Unfair Competition (Unfair Competition Act, UCA) explicitly establishes the right of customers, professional and trade associations and organisations of national or regional importance to bring actions.¹⁶ For the latter two, the articles of association must provide that the organisation is authorised to safeguard the interests of their members or that the organisation is dedicated to consumer protection.

At this point, the administrative cancellation procedure due to non-use in trademark law must be mentioned: Without special proof of interest, anyone who can credibly demonstrate that a trademark is not in use, despite the expiration of the non-use grace period, can apply to the IPI for comprehensive or partial cancellation.¹⁷

II. Targeted infringements and defences

A. Primary infringers

The respective substantive laws determine the scope of protection and the effects of the respective law. They specify which acts the holder may prohibit or to which they are exclusively entitled. If third parties – without the consent of the right holder – carry out these actions, they constitute an infringement.

In trademark law, Article 13 TmPA confers on the proprietor the exclusive right to use the trademark to identify the goods or services for which it is claimed and to dispose of it. The proprietor of a trademark may prohibit others from using a sign that is excluded from trademark protection under Article 3 paragraph 1 TmPA. Excluded from trademark protection are signs that are identical to an earlier trademark and are intended for the same or similar goods or services, such that a likelihood of confusion results. The prohibition in particular includes affixing the sign to goods or packaging thereof and offering goods, placing them on the market or stocking them for such purposes under the sign as well as offering or providing services under the sign and using the sign on business papers, in advertising, or otherwise in the course of trade. The use of a guarantee or collective mark contrary to the applicable regulations also constitutes an infringement of a trademark right.¹⁸

In design law, Article 8 DesA defines the scope of design protection. Design right protection includes designs that have the same essential features and thus produce the same overall impression as a design already registered. Pursuant to Article 9 DesA, the design right confers on the right holder the right to prohibit others from using the design for commercial purposes. Use

¹⁴ David et al.: SIWR 1/II (3rd edn, 2011) 215.

¹⁵ Art. 9 Unfair Competition Act (UCA).

¹⁶ Art. 10 UCA.

¹⁷ Eugen Marbach, Patrik Ducrey, Gregor Wild: Immaterialgüter- und Wettbewerbsrecht (4th edn, 2017) 792.

¹⁸ Art. 55 TmPA.

includes, in particular, manufacturing, storing, offering, placing on the market, importing, exporting and carrying in transit, as well as possession for any of these purposes.

According to Article 9 CopA, the author has the exclusive right to their own work and the right to recognition of authorship. The author has the exclusive right – in accordance with Article 11 CopA – to determine whether, when and how the work may be modified and whether, when and how the work may be used to create a work of second hand or included in a collective work. The copyright law, on the other hand, permits the use of existing works to create parodies or similar modifications of a work and private use. 'Private use' means any personal use of a work or use within a circle of persons closely connected to each other, such as relatives or friends. Additionally, private use means also any use of a work by a teacher and his class for educational purposes, the copying of a work in enterprises, public administrations, institutions, commissions and similar bodies for internal information or documentation. This rule for private use does not apply to computer programs.¹⁹

According to Article 66 PatA, anyone who unlawfully uses a patented invention can be held liable under civil or criminal law. The same holds true if the patented invention is used as an imitation. Any person who refuses to notify the authorities of the origin and quantity of unlawful products in their possession and to name the recipients and disclose the extent of any distribution to commercial and industrial customers is held accountable. Products are unlawful if they are unlawfully manufactured or placed on the market. Moreover, any person who removes the patent mark from products or their packaging without authorisation from the proprietor of the patent or the licensee and any person who abets any of the said offences, participates in them, or aids or facilitates the performance of any of these acts can be held liable.

In view of the aforementioned, the question of the identity of the infringer determines the capability of being sued. In principle, any natural or legal entity who is involved in the infringement can be sued. An infringement exists if anyone breaches the abovementioned scope of protection without the consent of the right holder. The direct infringer is the primary infringer irrespective of legal identity. If an enterprise commits the infringement, the question of whether the natural persons involved have the capability of being sued arises. It follows from Article 55 CPC that, in addition to the company, the bodies – according to Swiss jurisprudence even the factual bodies (e.g. employees) – also have the capability of being sued.²⁰ The natural person's responsibility lies alongside the legal entity's one. In serious cases, for reasons of procedural tactics, it can make sense to bring an action against both the legal entity and the acting natural person.²¹

In addition to the primary infringer, each link in the distribution chain has the capability of being sued as secondary infringer. This includes, for example, the importer or the retailer. Although under Article 9 DesA, carriers, forwarders and bonded warehouses also possess, for example, design-infringing goods and thus perform acts of use, various authors postulate that actions against them are inappropriate because they do not take part directly and merely play an auxiliary role.²² This view merits support, although this may lead to delimitation difficulties. The licensee also has the capability of being sued, if the concrete use goes beyond the contractually agreed framework.²³

Finally, participation in the injury must be discussed. The Patent Act explicitly mentions participation. According to Article 66 PatA, any person who abets any of the prohibited activities,

¹⁹ Art. 19 CopA.

²⁰ Handelsgericht St. Gallen vom 25. März 2010, "REFODERM", Sic! 2010, 789, 790.

²¹ Markus R. Frick, Art. 55 N 26 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

²² Robert Mirko Stutz, Stephan Beutler, Muriel Künzi: Stämpflis Handkommentar Designgesetz (1st edn, 2006) 805.

²³ Eugen Marbach, Patrik Ducrey, Gregor Wild: Immaterialgüter- und Wettbewerbsrecht (4th edn, 2017) 1044.

participates in them, or aids or facilitates the performance of any of these acts may be held liable. Article 9 DesA stipulates that the right holder may prohibit third parties from participating in, favouring or facilitating the commission of an unlawful act of use. For the other infringements of intellectual property rights, it is necessary that the participation of the infringing act takes place in the context of the principal offence, which in turn must be unlawful. The principal offence must at least constitute an objective threat. The principal offender does not yet have to be individually identifiable.²⁴

B. Intermediaries

In contrast to the mentioned rules and regulations regarding the primary as well as secondary infringer, there are – except for copyright law since 1 April 2020 – no specific regulations concerning intermediaries. Thus, the general rules should be used. The capability of being sued in defensive claims and in particular in relation to the responsibility of mere participants is assessed in accordance with Article 50 Code of Obligations (CO). In accordance with Article 50 CO, a multitude of infringers is liable if they have jointly or severally caused the damage to the injured party as instigators, authors or accomplices. An agreement is not required; mutual knowledge of the contribution to the action is sufficient.²⁵

The host provider's capability of being sued also depends on these general rules of participation.²⁶ In principle, the capability of the host provider to be sued must therefore be affirmed. In Switzerland the responsibility of providers is not specifically regulated. There is nothing comparable to the electronic commerce directive of the European Union. As mentioned in the last section, Article 66 PatA states that any person who abets any offences, participates in them, or aids or facilitates the performance of any of these acts can be held liable. A similar provision can be found in Article 9 DesA, according to which the right holder may prohibit others from using the design for commercial purposes. The right holder may also prohibit third parties from participating in, encouraging or facilitating such unlawful use. The other special decrees - as already mentioned - do not regulate the question of the capability of being sued.

The Court of Appeal of Basel-Stadt assumes in its decision of 20 May 2016 that in the case of copyright infringements committed by publication on a website, the holder of the domain in question primarily appears to have the capability of being sued.²⁷ In principle, to hold a domain name indicates that the holder is responsible for the content of the page in question if he or she is named in the imprint. If infringing content can be retrieved on this website, the person named in the imprint therefore appears to be capable of being sued, even if he or she is different from the holder of the domain in question.²⁸

As already mentioned in the introduction, the Copyright Act now contains a specific provision concerning the providers of internet hosting services. To date, right holders have had to request the removal of infringing content on hosting platforms, based on the general provisions. In addition, the industry follows the Code of Conduct Hosting; which the relevant industry association has created as a voluntary act of self-regulation regarding copyright infringements. Regarding the industry self-regulation, please refer to the relevant chapter below.

²⁴ Roger Staub, Art. 55 N 26 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

²⁵ Markus R. Frick, Art. 55 N 26 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

²⁶ Roger Staub, Art. 55 N 27 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

²⁷ Appellationsgericht Basel-Stadt vom 20. Mai 2016, "Panoramabild", Sic! 2016, 592, 594.

²⁸ Appellationsgericht Basel-Stadt vom 20. Mai 2016, "Panoramabild", Sic! 2016, 592.

The problem of self-regulation arises where hosting providers transform copyright infringement into a sort of business model. In these cases, it is particularly important to ensure that removed content remains removed and is not immediately reinstated, so-called stay-down.²⁹ Therefore Article 39d CopA provides that the provider of an internet hosting service which stores information entered by users is required to prevent a work or other protected subject matter from being unlawfully (re-)made available to third parties through the use of its services. The prerequisite for this is that the work or other protected subject matter has already been unlawfully made available to third parties via the same internet hosting service, the provider has been notified of the infringement, and the internet hosting service has created a particular risk of such infringements, specifically due to a technical mode of operation or an economic orientation which encourages infringement. The provider must put in place the technical and economic measures reasonably expected of them, while taking into account the risk of such infringements.

C. Liability threshold

Any person whose right – e.g. trademark or an indication of source – is infringed or threatened may request the court to prohibit an imminent infringement, to remedy an existing infringement or to require the defendant to provide information on the origin and quantity of items in his possession and to name the recipients and disclose the extent of any distribution to commercial and industrial customers.³⁰ The latter has no suitable counterpart in unfair competition law.

In contrast to the claims for damages and satisfaction, the aforementioned claims for injunctive relief and removal are independent from a culpability of the infringing party. The declaratory judgement actions equivalent to the claims for injunctive relief and removal are independent from culpability as well. On the other hand, they require a legitimate interest in a declaratory judgement. In summary, no culpability is required; but in the case of declaratory judgements, sufficient legitimate declaratory interest must be proven. In addition to the aforementioned, the question regarding the limitation and forfeiture has to be discussed.

Article 60 of the Swiss Code of Obligations – which was revised in January 2020 – governs the limitation period for obligation in tort: The right to claim damages or satisfaction prescribes three years from the date on which the person suffering damage became aware of the loss, damage or injury and of the identity of the person liable for it; but in any event ten years after the date on which the harmful conduct took place or ceased. With regard to defensive complaint proceedings, the Federal Supreme Court assumes in analogy with the limitation period for obligations in torts, that the limitation period is based on the time at which the injured party became aware of the infringement and of the identity of the liable person.³¹ In consequence and in case of persistent infringement, the limitation period does not apply. However, the three-year limitation period begins to run at the end of the risk of repetition. The risk of repetition ends with an unequivocal and duly declaration of cease and desist of the infringing party. In contrast to German law, a declaration of cease and desist is sufficient even without a contractual penalty. However, without such a corresponding declaration, the risk of repetition remains, even if the infringement has effectively ceased.³²

²⁹ Dieter Meier, Art. 39d N 2 in Barrelet Denis/Egloff Willi, *Das neue Urheberrecht*, Kommentar zum Bundesgesetz über das Urheberrecht und verwandte Schutzrechte (4nd edn, 2020).

³⁰ Art. 55 para. 1 TmPA; Art. 35 para. 1 DesA; Art. 62 para. 1 CopA; Art. 9 UWG.

³¹ David et al.: *SIWR 1/II* (3rd edn, 2011) 259 with reference to Federal Supreme Court BGE 59 II 401 of 17 October 1933.

³² Eugen Marbach, Patrik Ducrey, Gregor Wild: *Immaterialgüter- und Wettbewerbsrecht* (4th edn, 2017) 994 with reference to *Handelsgericht Aargau vom 8 May 2015, "Staubsauger III"*, *Sic!* 2015, 645.

A temporal limitation of the claims can be brought about by forfeiture due to remaining inactive in case of infringement. The legal consequence of forfeiture is that the claimant can no longer assert his claims arising from the infringement of his rights. In accordance with the Federal Supreme Court, forfeiture therefore cannot be assumed easily. Referring to the abuse of rights under Article 2 of the Swiss Civil Code, it states that the mere lapse of time does not in itself constitute a forfeiture of rights. From the point of view of the infringer it is further required that the injured party had or had to have knowledge of the harm and nevertheless remained inactive. Only in this case could the lapse of time justify the expectation that possible claims would no longer be asserted.³³ However, the Federal Supreme Court refuses to define a rigid deadline. As a rule of thumb, it should be considered – with exceptions – that below a time period of five years, no forfeiture can be assumed.³⁴

With regard to criminal liability and the criminal complaint to be made, see chapter *Criminal IP Procedure*. However, it has to be discussed whether criminal complaint or more specifically the right to file a criminal complaint are forfeited after three or six months. Because at the level of filing a criminal complaint the prosecution authorities do not check whether the civil claim is still enforceable, it should be possible to file such a criminal complaint. Nevertheless, the wrongful act might not seem unlawful anymore if the claims under civil law are forfeited.³⁵

D. Available defences

The infringer has various defences at their disposal. In addition to the defence that the allegedly infringed intellectual property right lacks protectability, the defences of intensive third-party use (dilution), one's own right to use, time-barring and forfeiture must be emphasized.

With regard to the lack of protectability, the features and the distinctive character are discussed under trademark law, novelty and individual character under design law, individual character in copyright law and novelty and inventiveness under patent law. It should also be pointed out that those who do not use their trademark for an uninterrupted period of five years can no longer assert their trademark rights.

In principle, the infringer also has the possibility to bring a separate nullity action or a nullity counterclaim. This may also be invoked as a defence of nullity in the course of the proceedings. In Switzerland, nullity actions, e.g. in trademark law, can also be filed long after the opposition period has expired and demand for deletion of the register right. It is important to note here that the civil courts, which judge the nullity actions, are not bound by the decisions of the registry authority and its appeal bodies. Depending on the constellation, it may make sense - especially since the registry authorities only examine relative grounds for exclusion in opposition proceedings - to seek civil proceedings and assert absolute grounds. The contested property right is examined within the framework of the legal request and their substantiation. In this process, it is also possible to present the same facts and legal grounds as used in front of the registry authorities and their appeal bodies.

If the nullity action / nullity counterclaim is successful, the contested property right will be deleted from the register and publicly announced. The nullity action therefore has an effect *erga omnes*. Any licence agreements will become invalid due to an impossible content. The other defences only have effect *inter partes*. Nevertheless, the decision also has a prejudicial effect,

³³ Federal Supreme Court, BGE 4C.240/2006 of 13 October 2006, consid. 3.1.1 with reference to Federal Supreme Court, BGE 4C.76/2005 of 30 June 2005, consid. 3.2 with further information.

³⁴ Eugen Marbach, Patrik Ducrey, Gregor Wild: Immaterialgüter- und Wettbewerbsrecht (4th edn, 2017) 1051.

³⁵ David et al.: SIWR 1/II (3rd edn, 2011) 1011.

especially as a judge would have to find a good reason to deviate from a once established finding in another case. However, a deviation would be permissible.

III. Evidence

A. Presumptions

The presumption of ownership in the case of register rights results directly from the register entry. The entry in the register establishes a respective right.³⁶ The holder is the person entered as such in the relevant register. In this context, reference should be made to the rules of evidence and proof by public documents of Article 9 of the Swiss Civil Code. Public register and public deeds constitute full proof of the facts evidenced by them, unless their content is shown to be incorrect. Such proof of incorrectness does not require to be in any particular form.³⁷

In contrast to the register rights, Article 6 CopA provides that the person who created the work is the author. Article 5 of the Berne convention for the protection of literary and artistic works states that the enjoyment and exercise of copyrights are not subject to the fulfilment of any formalities. Consequently, the work does not have to be entered in a register. The law counters the difficulty of authorship with the presumption of authorship in Article 8 CopA: Unless proven otherwise, the author is the person whose name, pseudonym or distinctive sign appears on the copies or the publication of the work. As long as the author is not named or remains unknown in the case of a pseudonym or a distinctive sign, the person who is the editor of the work exercises the copyright. Where this person is not named either, the person who has published the work may exercise the copyright.

This statutory presumption in Article 8 CopA provides a reversal of the burden of proof set in Article 8 Swiss Civil Code. Article 8 Swiss Civil Code stipulates that unless the law provides otherwise, the burden of proving the existence of an alleged fact rests on the person who derives rights from that fact. As long as the presumption remains, the author can assert the property right. However, the presumption can be reversed by proving the effective authorship of a third party. Thus, all legal effects on the copyright to a work in question are nullified *ex tunc*. The presumption is never applied to the disadvantage of the author, but only to his advantage.

B. Production and discovery

Article 8 of the Swiss Civil Code states that unless the law provides otherwise, the burden of proving the existence of an alleged fact rests on the person who derives rights from said fact. In principle, this applies regardless of the type of action. However, it is in the nature of things that certain information lays solely within the domain of the infringer. The claimant therefore has no or only limited access to such information. This includes, for example, the profit resulting from the infringement, sales figures or turnover figures.

Here, a claimant has the option of raising action by stages. This is recommended if the amount of the claim sued for depends on prior information from the infringing party. An example can be seen in an action for recovery of profits. The plaintiff may bring an action for an unquantified debt with the request for information or accounting. In a first step, a judgement is issued on

³⁶ Art. 5 TmPA; Art. 5 DesA.

³⁷ Art. 9 Swiss Civil Code.

the claim of information. Based on this, the claim is then to be calculated for the judgement and forms the so-called second stage.³⁸

In contrast to the obligation to provide information on the origin and quantity of the objects in their possession which have been illegally manufactured or placed on the market and to state the addresses and extent of their transfer to commercial buyers, the legal basis of intellectual property law – unlike TRIPS – does not expressly provide for a claim to the provision of financial information and accounting. However, the courts should rightly assume that the right of information should be affirmed in the case of business assumption and enrichment law.³⁹

However, Article 160 of the Swiss Code of Civil Procedure provides for a duty to cooperate in civil proceedings within the framework of the gathering of evidence. In particular, they have the duty to make a truthful deposition as a party or a witness, to produce the physical records, with the exception of documents forming correspondence between a party or a third party and a lawyer who is entitled to act as a professional representative, or with a patent attorney as well as to allow an examination of their person or property by an expert. If a party refuses to cooperate without valid reasons, the court takes this into account when appraising the evidence.⁴⁰ The refusal of a party to cooperate may be taken into account in the assessment of evidence. In this case, the court could assume that the document exists with the content claimed by the other party. Thus, the silence on a question within the questioning may therefore interpreted to the disadvantage of the refusing party.⁴¹

In the respective substantive laws, there are hardly any norms for the proof of any elements of facts. Article 21 DesA contains a legal presumption: Filing creates a presumption of novelty and individual character as well as of the entitlement to file it. In addition, the customary presumption that a granted and registered property right is also legally valid and fulfils all formal and substantive requirements applies to trademark and patent law. This presumption seems warranted where the registration has been preceded by a substantive examination by the registry authority. In particular, trademarks, varieties, pre-examined European patents or protected designations of origin and geographical indications should be considered valid until a court decides the opposite. Accordingly, Swiss patents and copyrights should behave differently; here the holder is correctly not released from proving the legal validity of the protective rights.⁴²

In general, electronically stored evidence is permitted; however, this depends on the individual case. Since contracts can be concluded informally unless the law prescribes a certain form, a simple unchangeably stored e-mail can suffice. In order to have the same evidential value for different documents as the original copies, they have to fulfil the respective requirements. An example in the field of accounting is Article 957a CO: An accounting voucher is any written record on paper or in electronic or comparable form that is required to be able to verify the business transaction or the circumstances behind an accounting entry. It is carried out in one of the official Swiss languages or in English. It may be carried out in writing, electronically or in a comparable manner. In this area, electronic documents also have the same evidentiary value.

C. Opposing party's obligation to cooperate and produce evidence

³⁸ Lukas Bopp/Balthasar Besenich, Art. 85 N 9 in Thomas Sutter-Somm/Franz Hasenböhler/Christoph Leuenberger, Kommentar zur Schweizerischen Zivilprozessordnung (3rd edn, 2016).

³⁹ David et al.: SIWR 1/II (3rd edn, 2011) 550, with reference to Federal Supreme Court, BGE 4C.250/2005 of 12 April 2006.

⁴⁰ Art. 164 CPC.

⁴¹ Dominik Gasser/Brigitte Rickli: Schweizerische Zivilprozessordnung (1st edn, 2010) Art. 166 N 3.

⁴² David et al.: SIWR 1/II (3rd edn, 2011) 552.

As set out in Chapter B above, Article 160 CPC requires the parties to cooperate in taking evidence. Article 164 CPC provides that the unjustified refusal to cooperate is taken into account by the court in the assessment of evidence. In this case, the court could assume that the document exists with the content claimed by the other party. Thus, silence during questioning may be interpreted to the disadvantage of the refusing party.⁴³ The same applies to the destruction of documents. The presumption is justified that the factual claim of the other party is true.⁴⁴

If the judge approves the "first stage" of the action by stages, i.e. grants the request for information, the coercive measures under the code of civil procedure come into play. Thus, enforcement can be demanded with the threat of a compulsory measure within the meaning of Article 343 CPC or conversion into a cash payment in accordance with Article 345 CPC.

Article 343 CPC, under the marginal note 'Obligation to act, refrain from acting or to tolerate', determines the compulsory measures. If the decision provides for such an obligation, the enforcement court may issue a threat of criminal penalty under Article 292 SCC, impose a disciplinary fine not exceeding CHF 5,000, impose a disciplinary fine not exceeding CHF 1,000 for each day of non-compliance, order a compulsory measure, such as taking away a movable item or vacating immovable property, or order performance by a third party. The unsuccessful party and third parties must provide the required information and tolerate the required searches. The successful party may also claim damages in accordance with Article 345 CPC, if the unsuccessful party fails to comply with the court order or demands the conversion of the payment owed into a cash payment.

D. Importance and value of experts

Article 168 CPC contains a *numerus clausus* of admissible evidence. The following evidence is admissible: testimony, physical records, inspection, expert opinion, written statements as well as questioning and statements of the parties. The Swiss Federal Supreme Court recently reiterated that this list is exhaustive.⁴⁵ In addition, for certain proceedings there are further restrictions. In summary proceedings, for example, evidence must be provided in the form of physical records.⁴⁶ Other evidence is admissible if the taking of evidence does not substantially delay the proceedings, if required by the purpose of the proceeding or if the court must establish the facts *ex officio*. The court establishes the facts *ex officio* in matters of bankruptcy and composition and in non-contentious matters.⁴⁷ Article 177 CPC considers the following to be physical records: papers, drawings, plans, photos, films, audio recordings, electronic files and the like that are suitable to prove legally significant facts. The interim measures are summary proceedings and are therefore subject to this barrier of evidence.

Of particular importance are private expert opinions, which are brought into the process by the parties. Unlike the expert opinions obtained by the court within the meaning of articles 168 and 183 CPC, these private expert opinions do not have the quality of evidence; they are mere

⁴³ Dominik Gasser/Brigitte Rickli: Schweizerische Zivilprozessordnung (1st edn, 2010) Art. 166 N 3.

⁴⁴ Ernst F. Schmid, Art. 164 N 1 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

⁴⁵ Federal Supreme Court, BGE 141 III 433 of 11 September 2015, consid. 2.5.1.

⁴⁶ Art. 254 CPC.

⁴⁷ Art. 255 CPC.

assertions of a party.⁴⁸ Due to the lack of quality of evidence, a private expert opinion cannot be brought into the proceedings as a physical record.⁴⁹

At the request of a party or ex officio, the court may obtain an opinion from one or more experts; if the court relies on the special expertise of one of its members, it must inform the parties so that they may comment. The consultation of experts is well described in Art. 57 of the Federal Act on Federal Civil Procedure: If expert knowledge is required to clarify the facts of the case, the judge consults one or more experts as assistants. After being ordered to do so, they participate in the instruction of the trial and examine the questions submitted to them by the judge. The judge gives the parties the opportunity to comment on the questions put to the experts and to propose amendments and additions. Because the experts must be as impartial as the judges, the parties have the right to object to the appointment of individual experts not only on the grounds of insufficient expert knowledge but also on the grounds of partiality.⁵⁰ Instances with expert judges may, under certain circumstances, be able to dispense with the involvement of experts in the assessment of technical questions if individual expert judges have the necessary expert knowledge.⁵¹ Finally, Article 187 CPC states that the court may order the expert to submit his or her opinion in writing or present it orally. It may also summon the expert to the hearing in order to explain his or her written opinion. Moreover, the court gives the parties the opportunity to ask for explanations or to put forth additional questions.

Finally, the possibility of an arbitration report within the meaning of Article 189 CPC should also be mentioned. The parties may agree to obtain an arbitrator's opinion on the matters in dispute. The court is bound by the arbitrator's opinion with regard to the facts established therein provided the parties are free to dispose of the legal relationship, no grounds for recusal existed against the expert arbitrator and the opinion has been stated in an impartial manner and is not manifestly incorrect.

E. Witness evidence

The legal basis of the witness evidence can be found in the Articles 169 et seq. CPC. A distinction has to be made between testimony, examination of the parties and giving evidence.

Any person who is not a party may testify on matters that he or she has directly witnessed.⁵² In accordance with Article 170 CPC, witnesses are summoned by the court. The court may allow the parties to bring along witnesses without a summons. Except for cases of confrontation referred to in Article 174 CPC, the court will interview each witness individually and in the absence of the others. Witnesses must bear their testimony freely and without documentary evidence. The use of written documents may be permitted. As long as the witnesses have not been released from being a witness, they are excluded from the remainder of the proceedings. The witness is urged to tell the truth before the hearing. After reaching the age of 14, the witness will also be made aware of the criminal consequences of false testimony.⁵³

In accordance with Article 172 CPC the court asks witnesses to state their particulars, to describe their personal relationship with the parties and other circumstances that may be relevant to the credibility of their testimony and to state the facts of the case as they have observed them.

⁴⁸ Federal Supreme Court, BGE 141 III 433 of 11 September 2015, consid. 2.6.

⁴⁹ Peter Hafner, Art. 168 N 4a in Karl Spuhler/ Luca Tenchio/ Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

⁵⁰ David et al.: SIWR 1/II (3rd edn, 2011) 559.

⁵¹ David et al.: SIWR 1/II (3rd edn, 2011) 562.

⁵² Art. 169 CPC.

⁵³ Art. 171 CPC.

The parties may request that additional questions be put to the witness or, with the consent of the court, they may ask such questions themselves.⁵⁴ The questioning of the witness by the party is an exception to the principle according to which the court questions the witnesses.⁵⁵ As mentioned above, witnesses may also be confronted with each other. This should only be applied if it serves in clarifying contradictions.⁵⁶ If, according to Article 175 CPC, the witness has special expertise, the court may also ask him or her questions about their assessment of the facts of the case.

By contrast, the court may question, pursuant to Article 191 CPC, one or both parties on the relevant facts. Before the examination, the parties are cautioned that they must tell the truth and be advised that if they wilfully lie, they may be liable to a disciplinary fine not exceeding CHF 2,000 or, in the event of repeated lying, not exceeding CHF 5,000. Article 192 CPC provides rules on giving evidence. The court may ex officio order one or both parties to give evidence. Failure to comply can lead to criminal penalties. Before giving evidence, the parties are cautioned that they must tell the truth and be advised of the criminal consequences of perjury.

IV. Provisional measures for documenting and preserving evidence

In intellectual property law, provisions – except for Patent law - are standardised. Article 38 DesA - as an example for the other intellectual property rights – provides as follows: Any person requesting preliminary measures may, in particular, request that the court orders measures to secure evidence, establish the origin of items unlawfully manufactured, preserve the existing state of affairs or provisionally enforce claims for injunctive relief and remedy infringement. In trademark law, pursuant to Article 59 TmPA, the applicant may demand that the court orders measures to establish the origin of items unlawfully bearing a trademark or indication of source. Article 77 PatA contains a minor deviation: Any person requesting preliminary measures may request the court to order measures to secure evidence to preserve the existing state of affairs or to provisionally enforce claims for injunctive relief and remedy, a precise description to be made of the allegedly unlawful processes used, a precise description to be made of the allegedly unlawful products manufactured as well as the means used to manufacture them or the seizure of these objects.

The legal basis for interim measures in general can be found in Article 261 et seq. CPC. They apply not only to interim measures but also to the preservation of evidence and ex-parte interim measures. In accordance with Article 261 CPC the court orders the interim measures required provided the applicant shows credibly that a right to which he or she is entitled has been violated or a violation is anticipated and the violation threatens to cause not easily reparable harm to the applicant.

‘Not easily reparable harm’ may be either tangible or intangible in nature. Objective criteria, and not the subjective imagination of the applicant, are decisive for assessing the harm and the threat.⁵⁷ In the event of preserving evidence, the applicant has to assert that the evidence situation has deteriorated. This deterioration is the not easily reparable harm. There may not be

⁵⁴ Art. 174 CPC.

⁵⁵ Peter Guyan, Art. 174 N 4 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

⁵⁶ Peter Guyan, Art. 174 N 1 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

⁵⁷ Huber, Art. 261 N 20 in Thomas Sutter-Somm/Franz Hasenböhler/Christoph Leuenberger, Kommentar zur Schweizerischen Zivilprozessordnung (3rd edn, 2016).

a harm, for example, if financial claims or loss of profits can be calculated without major difficulties on the basis of other documents, such as those provided by third parties.⁵⁸

The courts are reluctant in assessing financial losses as a not easily reparable harm.⁵⁹ On the other hand, the Federal Patent Court considers that there is a not easily reparable harm if a financial loss can no longer be ascertained or specified later. It is assumed, for example, that in retrospect, there will be hardly any possibility of proving how sales and profits with the original products would have developed without the patent infringing acts, or what market share losses and price reductions and thus the damage would have been caused.⁶⁰ A harm that cannot be easily repaired may also occur with licence agreements, since persistent infringements of licensed rights regularly lead to difficulties with the licensees, who are unlikely to be willing to pay licence fees during this period.⁶¹ Finally, there is always an irreparable harm set by law where the law explicitly provides for the imposition of a preliminary measure.

A precondition for preliminary measures not mentioned in the law, but nevertheless important, is timely urgency. Contrary to other jurisdictions, Switzerland does not apply fixed deadlines.⁶² The Federal Patent Court allows the patentee to wait for the outcome of an appeal before the European Patent Office.⁶³ As a general rule and in accordance with jurisdiction and doctrine, the claim to the adoption of a preliminary measure is forfeited if the applicant waits with submitting the application for so long that ordinary proceedings, which they would have initiated at the earliest possible date, would have been concluded sooner than the belatedly initiated measure proceedings.⁶⁴ The Federal Patent Court held that the average duration of ordinary proceedings would be two years, and that of preliminary measures regarding injunction relief between eight and ten months, reason for which the filing of a preliminary measure would be forfeited after fourteen months; after this, timely urgency is no longer given. Importantly, the measure procedure has to be shorter than the already ongoing procedure or the expected duration of the process to be raised.

is the law does not mention the principle of proportionality either. A measure should not exceed what appears necessary to prevent the alleged infringement. All relevant circumstances are taken into account in the examination. The measure must then be appropriate and necessary from a factual and temporal point of view. Appropriate softer measures are preferable.⁶⁵

These abovementioned general provisions on interim measures are followed by measures for the preservation of evidence such as Article 59 TmPA, Article 38 DesA, Article 65 CopA and Article 77 PatA. Their primary purpose is to prevent a lack of evidence. The applicant must demonstrate that without the measure, evidence could be endangered; in particular because the opponent could take steps to destroy or remove it.⁶⁶ Measures to preserve evidence serve neither as means to obtain evidence nor to screen competitors.⁶⁷ One measure to preserve evidence can

⁵⁸ Roger Staub, Art. 59 N 16 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

⁵⁹ Handelsgericht Zürich of 4 March 2002, "Swissair (fig.) / Swiss", Sic! 2002, 250, 251.

⁶⁰ Federal Patent Court, BPat S2013_004 of 12 May 2014, consid. 4.7.

⁶¹ Markus R. Frick, Art. 59 N 17 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

⁶² Roger Staub, Art. 59 N 23 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

⁶³ Federal Patent Court, BPat S2013_004 of 12 May 2014, consid. 4.8.

⁶⁴ Federal Patent Court, BPat S2018_006 of 8 February 2019, consid. 13.

⁶⁵ Markus R. Frick, Art. 59 N 22 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

⁶⁶ Roger Staub, Art. 59 N 37 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

⁶⁷ Christoph Willi: MSChG. Markenschutzgesetz (1st. edn, 2002) Art. 59 N 17.

be seizure, whereby copies can secure endangered evidence.⁶⁸ Measures to preserve evidence may also be ordered as an *ex-parte* interim measure without prior hearing of the parties.

In the aforementioned interim measures, the opposing party's right to be heard must be granted. Article 265 CPC, on the other hand, lays down *ex-parte* interim measures: In cases of special urgency, and in particular where there is a risk that the enforcement of the measure will be frustrated, the court may order the interim measure immediately and without hearing the opposing party. The risk that the enforcement of the measure will be frustrated is urgent, if the ordinary preliminary measure comes too late, e.g. a trade fair lasting only a few days, or if the measure's chances of success would be thwarted by a prior hearing, particularly in the case of confiscation or measures to preserve evidence.⁶⁹

Article 158 CPC provides the precautionary taking of evidence. Accordingly, the court accepts evidence at any time, if the law grants a corresponding claim or if the requesting party credibly demonstrates a threat to the evidence or an interest worthy of protection. The provisions on interim measures apply. With regard to intellectual property law, the Federal Supreme Court has stated, contrary to the wording of the law, that it is not sufficient to merely prove protection-worthy interests. The claim only exists with regard to the concrete substantive claim; the infringement has to be substantiated at this point already.⁷⁰

With regard to the standard of evidence, the applicant only has to demonstrate plausibly the violation of their rights. Strict proof is not required. On the other hand, a proven and probable presentation of the facts of the case is required. In accordance with the Federal Supreme Court, the judge must be given the impression of a certain probability regarding the existence of the facts in question.⁷¹ The judge need not be fully convinced; they must merely find the probability higher that the alleged facts are true rather than not. Thus, credibility is more than alleging, but less than proving.⁷² It should be emphasised that the Federal Supreme Court has held that courts carry out only a summary examination of the legal questions.⁷³ The courts tend to be satisfied with the fact that the legal arguments are not futile.

With regard to register rights, this credibility does not pose difficulties. Trademark rights can, for example, simply be substantiated by an extract from the register. The infringement itself can be easily proven by presenting an infringing object, such as test purchases, internet excerpts, illustrations, photographs, invoices, delivery notes or advertising material.⁷⁴

Finally, it should be noted that, unlike German law, Swiss law does not require an unsuccessful warning for the adoption of interim measures. Rather, it corresponds to Swiss legal opinion that debts which have become due can be enforced without prior reminder and that due claims can be asserted in court at any time.⁷⁵ As long as there is no danger of being thwarted, it is nevertheless advisable - even if not required for enforcement - to issue a warning letter to the opponent in advance and to demand a cease-and-desist declaration when appropriate.

A. Detailed description

⁶⁸ Appellationshof Bern of 2 September 2003, "Datenblätter", Sic! 2004, 125, 128.

⁶⁹ Eugen Marbach, Patrik Ducrey, Gregor Wild: Immaterialgüter- und Wettbewerbsrecht (4th edn, 2017) 1084.

⁷⁰ Federal Supreme Court of 31 January 2012, "Schlammzuführung", Sic! 2012, 330.

⁷¹ Federal Supreme Court, BGE 88 I 11 of 11 April 1962, consid. 5a.

⁷² Markus R. Frick, Art. 59 N 6 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

⁷³ Federal Supreme Court, BGE 139 III 86 of 9 January 2013, consid. 4.2.

⁷⁴ Markus R. Frick, Art. 59 N 9 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

⁷⁵ David et al.: SIWR 1/II (3rd edn, 2011) 590.

Any person requesting preliminary measures may request that the court orders a precise description to be made of the allegedly unlawful processes used, of the allegedly unlawful products manufactured as well as the means used to manufacture them.⁷⁶ If a party requests a description, it must provide *prima facie* evidence that an existing claim has been infringed upon or that an infringement is suspected. If the opposing party claims that a manufacturing or trade secret is involved, the court takes the necessary measures to safeguard it. It may exclude the applicant party from participating in the procedure for making the description. Before the applicant party is notified of the description, the opposing party is given the opportunity to comment. The procedure for making the description, with or without seizure, is carried out by a member of the Federal Patent Court, who may call on the assistance of an expert if necessary.⁷⁷

The taking of evidence other than the precise description, such as the questioning of witnesses or obtaining of a judicial report, may be requested under the preconditions given in Article 158 CPC.⁷⁸

B. Physical seizure

Article 77 PatA provides that the court may order physical seizure as a measure. It serves to secure the right to confiscation and to destruction pursuant to Article 69 PatA: In the event of a conviction, the court may order the forfeiture and sale or destruction of the unlawfully manufactured products or equipment, devices and other means that primarily serve their manufacture. This preliminary measure is only justified if milder measures, namely a prohibition of disposal enforceable by indirect coercion, are presumably not suitable to eliminate the risk of repetition.⁷⁹ Irrespective of the requested measure, these follow the general requirements concerning interim measures or, in case of particular urgency, those of the *ex-parte* interim measures without hearing the counterparty. Reference is therefore being made to the comments on the preliminary measures set out in chapter IV: *Provisional measures for documenting and preserving evidence*.

C. Safeguards and defences

The opponent of the application as well as the applicant merely have to make their claims credible instead of proving them. The focus here is in particular the defence of invalidity of the allegedly infringing property right: The cause of action is not credible if the opponent can credibly show that the property right does not exist.⁸⁰ In addition, the Swiss Code of Civil Procedure stipulates in Article 261 CPC that the court may refrain from ordering interim measures if the opposing party provides appropriate security. If the respondent offers a security deposit in line with the order of an *ex-parte* interim measure, the court must hear the applicant and if it intends to accept the security, it must order a short period for the provision of the security with the threat that, in the event of non-payment, the *ex-parte* interim measure will remain in force. In case of application for a security under the interim measure, the court intervenes only if the question of a security has not been dealt with before the interim measure was ordered or if new circumstances have arisen.⁸¹

⁷⁶ Art. 77 PatA.

⁷⁷ Art. 77 PatA.

⁷⁸ Federal Supreme Court, BGE 138 III 76 of 31 January 2012, consid. 2.4.2.

⁷⁹ Mark Schweizer, Art. 77 N 24 in Mark Schweizer, Herbert Zech, Stämpfli's Handkommentar Patentgesetz (1st edn, 2019).

⁸⁰ David et al.: SIWR 1/II (3rd edn, 2011) 656 with further references.

⁸¹ Thomas Sprecher, Art. 261 N 107 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

It should be noted that the courts only reluctantly consider a security as adequate; it rarely provides a positive guarantee that the damage will be fully compensated.⁸²

Irrespective of the opposing party's application, the court may also demand a security in accordance with Article 264 CPC on its own initiative: The court may make the interim measure conditional on the payment of security by the applicant if it anticipates that the measures may cause loss or damage to the opposing party. The applicant is liable for any loss or damage caused by unjustified interim measures. If the applicant proves that he or she applied for the measures in good faith, the court may reduce the damages or entirely release the applicant from liability.

If the principal action is not pending, the court sets a deadline within which the applicant must file his or her action, subject to the ordered measure becoming automatically ineffective in the event of default. The length of the time limit for raising the main proceedings is determined at the discretion of the court and by taking account of the circumstances. The former patent law provided a time limit of 60 days. Together with the fixing of the time limit, the courts must issue the threat that the measure will lapse if the expiration of the time limit is not used.⁸³

In addition, there is the possibility of a protective letter against an *ex-parte* interim measure, as explained below.

D. Protective Letter

Article 270 CPC explicitly provides for the possibility of a protective letter. It serves to defend oneself against a possible *ex-parte* interim measure or, more specifically, to be heard. This would otherwise be denied and would only be granted after the court's decision on the *ex-parte* interim measures.

Pursuant to Article 13 CPC, the protective letter is to be submitted to the court which has factual and local jurisdiction for the anticipated *ex-parte* interim measure. If more than one local jurisdiction is possible, more than one protective letter must be filed. Unlike in Germany, in Switzerland there is no register of protective letters to be consulted by all courts.⁸⁴

The effect of the protective letter is timely limited to six months after filing. Subsequently, it will become irrelevant. The court must accept the protective letter without further action and consider it for a period of six months if proceedings are initiated. It then obliges the judge, in any proceedings during that period, to consider the arguments contained therein and to assess them as far as they are relevant.⁸⁵ The court informs the other party about the existence of the protective letter only if it takes an appropriate action, e.g. preliminary measures.

The protective letter does not only oblige the judge to deal with the arguments contained for six months. The party who filed the protective letter is also bound by it. A withdrawal is not possible.⁸⁶ Furthermore, it is not permissible to amend a protective letter with further submissions without the admissible novency. This is due to the necessity that the judge must make a quick

⁸² Thomas Sprecher, Art. 261 N 110 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017) with reference to the Federal Supreme Court, BGE 103 II 88 of 24 February 1977, consid. 3b.

⁸³ Thomas Sprecher, Art. 263 N 18 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

⁸⁴ Dominik Gasser/Brigitte Rickli: Schweizerische Zivilprozessordnung (1st edn, 2010) Art. 270 N 3.

⁸⁵ Eugen Marbach, Patrik Ducrey, Gregor Wild: Immaterialgüter- und Wettbewerbsrecht (4th edn, 2017) 1088.

⁸⁶ Federal Patent Court, BPat D2015_035 of 8 March 2016, consid. 5.

decision. Consequently, additions to the protective letter must be limited to proper and improper nova.⁸⁷

There is no alternative for a protective letter.

V. Injunctions and other precautionary measures

A. Interlocutory injunction

The relevant substantive laws contain provisions on possible preliminary measures, preliminary enforcement and the safeguarding of injunctive relief and removal claims. These are the most frequently requested preliminary measures. This makes it possible to anticipate actions for injunctive relief and for removal. As a result, protracted litigation does not have a detrimental effect on the plaintiff, but on the defendant. Only claims which are reversible are provisionally enforceable.⁸⁸ Injunctions resulting from injunctive relief are suitable for provisional enforcement because the infringer can resume, in principle, the prohibited acts after the injunction has ceased.

The general provisions on preliminary measures therefore govern the conditions. The legal basis for preliminary measures in general can be found in Article 261 et seq. CPC. In other words, they apply not only to preliminary measures but also to preliminary injunctive relief and ex-parte interim measures. For general information, please refer to Chapter IV. The conditions for preliminary measures are similar.

B. Blocking injunctions against intermediaries

If domain names are in dispute, the focus is on blocking the web pages or deactivating them. Since preliminary measures must be reversible, the deletion of the domain is not possible. The situation is different, however, as far as the transfer of the domain is concerned; depending on the outcome of the proceedings, this can be transferred back.⁸⁹ Such an injunction would be conceivable if the applicant could demonstrate that they could suffer a not easily reparable harm for the duration of the main proceedings without using these domain names. This is because, for example, third parties have trusted the applicant's ownership and, without their ownership, their reputation would suffer. However, the order must then be combined with the condition that the applicant may not transfer the domain names to third parties for the duration of the proceedings.⁹⁰

Additionally, reference is made to Article 262 CPC: The court may order any interim measure suitable to prevent the imminent harm, in particular an order of a register authority or to a third party. Any third party may be ordered to do so by a court. Accordingly, this also includes the possibility of instructing a bank to block a certain account.⁹¹

The applicant may therefore request that a specific account be blocked. Reference should be made to the principle of proportionality, as explained above. The measure must be suitable, required and reasonable. In particular, it must be regarded as the least radical means to achieve the desired goal, which must be examined on a case-by-case basis.

⁸⁷ Federal Patent Court, BPat D2015_035 of 8 March 2016, consid. 4.

⁸⁸ Markus R. Frick, Art. 59 N 39 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

⁸⁹ Tribunal d'arrondissement de Lausanne of 23 July 2001, "cofideco.ch", Sic! 2002, 55, 59.

⁹⁰ Roger Staub, Art. 59 N 44 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpfli Handkommentar Markenschutzgesetz (2nd edn, 2017).

⁹¹ Federal Counsel, Message to the CPC, 7355.

C. *Ex parte* injunctions

In principle, reference is made to the general explanations in Chapter VI *Provisional measures for documenting and preserving evidence* and the explanations contained therein on the preliminary measures and the *ex-parte* interim measures. The *ex-parte* interim measures concerning physical seizure are analogous to those concerning the preservation of evidence.

Article 265 CPC generally states that in cases of special urgency, and in particular, where there is a risk that the enforcement of the measure will be frustrated, the court may order the interim measure immediately and without hearing the opposing party. The danger of thwarting is especially given in the case of pirated goods. Here only the *ex parte* interim measure comes into question. Otherwise, if the measure was announced in advance, the goods could be returned or disposed of and the measure would therefore have no effect. A particular urgency can also lie in the case of a temporary exhibition of infringing products; trade fairs and exhibitions are essential advertising factors and relevant to sales.⁹² Together with the ordering of the preliminary measures, the court summons the parties to a hearing, which must take place immediately, or set a deadline for the opposing party to comment in writing. Having heard the opposing party, the court decides on the application immediately.

It should be emphasised that there are in fact no legal remedies available against the *ex-parte* interim measures. However, the party may state its position through an immediately following statement. In addition, the measures remain in force until they are either revoked, replaced by a decision on the preliminary measures or a definitive judgment on the merits.⁹³

D. Injunctions in proceedings on the merits

As explained above, the decision on the applicant's measure will be followed by a time limit for the initiation of proceedings in the merits, if such proceedings have not already been initiated. Irrespective of this, an injunction action can also be filed directly with the court without prior measures.

The injunction action serves the permanent prevention of future infringements of intellectual property rights in relation to the specific act of infringement. A general prohibition on ever infringing the plaintiff's intellectual property rights is not possible. The legal requests submitted must precisely describe the prohibited conduct in accordance with general procedural principles.⁹⁴ On the one hand, the defendant must know what they are no longer allowed to do and, on the other hand, the enforcement authorities must know what actions they have to prevent or penalise. In trademark law, for example, this means that the sign whose use is to be prohibited must be precisely defined. Consequently, the infringing sign and not the infringed sign must be named.⁹⁵ Due to the principle of territoriality, the territory must also be designated accordingly.

Particularly in the case of injunctions, the general procedural requirement of the need for legal relief is of importance. In accordance with federal court rulings, a legally protected interest in an injunction action only exists if there is a risk of infringement, i.e. if the defendant's behaviour

⁹² David et al.: SIWR 1/II (3rd edn, 2011) 630.

⁹³ David et al.: SIWR 1/II (3rd edn, 2011) 686 et seq.

⁹⁴ Roger Staub, Art. 55 N 36 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpfli Handkommentar Markenschutzgesetz (2nd edn, 2017).

⁹⁵ Roger Staub, Art. 55 N 38 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpfli Handkommentar Markenschutzgesetz (2nd edn, 2017).

gives rise to serious fears of future infringement.⁹⁶ According to case law, an indication of an imminent infringement may be that similar infringements have taken place in the past and that a previous warning letter has had no effect or would be futile. However, the risk of repetition does not apply if the infringer bindingly acknowledges the illegality of the action taken and undertakes to cease the infringement. In contrast to other countries, such a declaration of discontinuance need not be secured by a contractual penalty.⁹⁷ At this point, it should also be noted that it is the plaintiff's responsibility to assert and prove the infringement of rights that has already occurred if he asserts the risk of repetition. The proof of a single infringing act is presumed to constitute a legally relevant risk of recurrence.⁹⁸ The possible future infringement does not have to be proven; it is presumed.

If the court decides an injunction or an omission, it is generally valid immediately or from the date of the decision taking legal effect. From then on, it is valid unlimited in time. However, cases are conceivable where immediate implementation is not possible. This would be conceivable, for example, in company law, where legal deadlines must be observed due to the necessary amendments to a company's articles of association. Other justifications for disregarding the court prohibition or omission are not apparent.

E. Specific preliminary measures

a. Recurring penalty payment

In the judgement, the court must subsequently record the defendant's obligation to refrain from action. This must be accompanied by a definition of the consequences if the defendant fails to comply with the judgment. The available measures for enforcement are defined in Article 343 CPC. First, the court may issue a threat of criminal penalty under Article 292 SCC⁹⁹. According to this provision, non-compliance may lead to a fine in the sense of criminal law. The maximum amount is CHF 10,000.¹⁰⁰ Pursuant to Article 343 CPC, a disciplinary fine of up to CHF 1,000 may be imposed per day of non-compliance. According to the Federal Supreme Court, however, no administrative fine may be imposed if the infringer is not culpable.¹⁰¹ Depending on feasibility, coercive measures or substitute measures would also be possible. Superficially, however, this refers to actions for removal.

b. Lodging of guarantees

Due to the principle of proportionality, Article 262 CPC provides that a measure must not be taken if adequate security is provided. This procedure seems justified, for example, if the not easily reparable harm is based solely on the solvency of the infringer in question. This appears to be an option when a precautionary prohibition seems too harsh a solution, but abstaining from intervention seems too soft.¹⁰²

⁹⁶ Federal Supreme Court, BGE 128 III 96 of 19 December 2001, consid. 2e, with reference to the Federal Supreme Court, BGE 124 III 72 of 8 January 1998, consid. 2a.

⁹⁷ David et al.: SIWR 1/II (3rd edn, 2011) 272.

⁹⁸ Handelsgericht Zürich of 13 December 2007, "PUMA", Sic! 2009, 411, 413.

⁹⁹ Swiss Criminal Code (SCC)

¹⁰⁰ Art. 106 SCC.

¹⁰¹ Federal Supreme Court of 11 July 2016, Sic! 2016, 536, 540.

¹⁰² Markus R. Frick, Art. 59 N 67 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

The party who wishes to avert a measure must indicate in their application the nature and extents of the security offered and at the same time explain the suitability of that payment as security.¹⁰³

The possibility of such a guarantee to avert a measure is practically never applied. Some authors expressly reject this possibility, as is the case in trademark law. The reason given for this is that the market confusion and the impairment of the trademark value caused by an infringement are so difficult to quantify that an appropriate amount for the security cannot be reliably determined.¹⁰⁴

c. Preventing entry into the channels of commerce and seizure

Reference is made to the general remarks regarding preliminary measures. The special laws do not contain any special provisions in this respect.

d. Blocking of bank accounts and other assets

Reference is made to Article 262 CPC: The court may order any interim measure suitable to prevent the imminent harm, in particular, it may issue an order with a register authority or a third party. This includes the possibility of instructing a bank to block a certain account.¹⁰⁵ Further, reference is made to the general remarks regarding preliminary measures. The special laws do not contain any special provisions in this respect. In criminal law, this can at best be a possibility.

F. Safeguards and defences

Reference is made to the explanations in Chapter IV. The general regulations described there also apply here.

VI. Damages

A. Adequate compensation

The special intellectual property laws - as well as the law against unfair competition - do not regulate independent financial claims. They all refer to the Swiss Civil Code and the claims for damages, satisfaction and recovery of profit regulated therein.¹⁰⁶

Similar to the Obligations in Tort stipulated in Article 41 CO, damage, unlawful act, a causal link between the unlawful act and the damage as well as culpability are also presupposed in intellectual property law.

It can be anticipated that the illegality does not cause any problems in principle. The interference with absolute rights, which include the exclusive rights of intellectual property rights, undoubtedly constitutes an unlawful act without justification.

¹⁰³ Thomas Sprecher, Art. 261 N 103 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

¹⁰⁴ Roger Staub, Art. 55 N 82 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017); Christoph Willi: MSChG. Markenschutzgesetz (1st. edn, 2002) Art. 59 N 25.

¹⁰⁵ Message to the CPC, 7355.

¹⁰⁶ Art. 55 TmPA; Art. 35 DesA; Art. 73 PatA; Art. 62 CopA.

Article 42 CO stipulates that a person claiming damages must prove that loss or damage occurred. With regard to damages, reference can be made to the "Theory of Difference" formula constantly used by the Federal Supreme Court. Damage is an involuntary reduction of assets, which is the difference between the current level of assets and the level that the assets would have without the damaging event.¹⁰⁷ Damage may therefore be positive or consist in a loss of profit.

Since the Federal Supreme Court Ruling BGE 132 III 379 of 19 December 2005 "Milchschaumer", the claim for damages has lost importance. The most difficult prerequisite is the proof of the actual damage. It requires, in particular for the license analogy to apply, that the infringer would have been prepared to enter into a license agreement in line with market conditions.¹⁰⁸ The Federal Supreme Court has held in this regard:

"The application of the license analogy method requires the proof of a reduction in assets by the injured party. If a loss of profit is claimed, it must be assumed that the owner of the industrial property right must be in a position to make the lost profit. This is not the case if the owner of the intellectual property right does not use the intellectual property at all. Only if the owner of the intellectual property right is able to prove that because of the infringing act he has in fact missed a license award and thus a license fee, it is a matter of lost profit. In this case, however, the amount of the license must be determined in accordance with the hypothetical agreement between the licensor and the licensee without regard to its adequacy. However, if the industrial property right holder is released from the obligation to prove the probability of the lost profit - i.e. the conclusion of a certain license agreement with a certain license fee - the license fee awarded does not constitute compensation for a specific loss but for a fiction of loss. According to the principles of liability law, which also apply to intellectual property law, no compensation is due. Accordingly, in the case of an infringement of intellectual property rights for the award of damages for loss of profit, the owner of the intellectual property right must demonstrate that he would have been able to achieve the claimed profit, if the infringement had not taken place. If this proof fails, there is no natural causal connection."

Moreover, the infringement of property rights must have actually caused the damage in the sense of a natural causal connection. It is also required that the act, according to the ordinary course of events and general experience, is capable of causing damage of the existing type and to the existing extent.¹⁰⁹

Indemnity claims demand culpability. Intent, *dolus eventualis* and gross or slight negligence are considered as such. Negligence is an infringement of the duty to take care, it occurs when a necessary degree of diligence is lacking. The degree of diligence required depends on the infringer. It is worth mentioning that culpability in an infringement does not require the trademark infringer to have been aware of the illegality of his conduct. Thus, the fact that the infringer has wrongly assessed the legal situation cannot protect them.¹¹⁰

There is also the possibility of recovery of profit in accordance with Article 423 CO. The constituent element here is the fact that the infringed has assumed the plaintiff's business without authorisation. Generally, this does not cause any problems for the infringer as the principal offender. With regard to individual participants, however, it is questionable whether they actually

¹⁰⁷ Federal Supreme Court, BGE 142 III 23 of 10 December 2015, consid. 4.1.

¹⁰⁸ Markus R. Frick, Art. 55 N 74 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

¹⁰⁹ Christoph Willi: MSChG. Markenschutzgesetz (1st. edn, 2002) Art. 55 N 61.

¹¹⁰ Federal Supreme Court of 7 November 2002, SicI 2003, 438.

assume the plaintiff's business. In addition, bad faith, an infringer's profit and causality are demanded.

B. Quantification of damages

Due to the reference within the substantive laws to the Swiss Code of Obligations, the application of Article 43 CO to the assessment of damages follows. The court determines the form and extent of the compensation provided for loss or damages incurred, with due regard to the circumstances and the degree of culpability. It should be mentioned that the infringing party is obliged to mitigate the damage in accordance with the general principles of liability law.

The damage consists of a wide range of elements. These include direct damage, loss of profit, legal costs and market confusion damage, such as confusion of the public, weakening and dilution of the trademark. With regard to pre-litigation attorneys' fees, these can only be claimed as damages to the extent that they have not been incurred as necessary expenses of the legal representation directly related to the preparation and conduct of the proceedings. These costs are reimbursed through the compensation of the parties in the process.

The principle is that the person who claims compensation must prove the damage and must not enrich themselves; the damage must be calculated concretely. There is an absolute ban on enrichment.

C. Alternative and punitive damages

As explained above, due to the prohibition of enrichment, it is not possible to claim damages exceeding the damage actually sustained. For the rest, reference is made to the previous remarks. With regard to the license analogy, reference is made to the court decision "Milchschaumer" mentioned at the beginning of this section.

On the other hand, regarding the recovery of the infringer's profit, in analogous application of Article 42 CO, an estimation is permissible if the profit cannot be strictly proven in figures; as is an award *ex aequo et bono*.¹¹¹ The estimation must also be made, for example, if the infringer does not comply with his accountability.¹¹² The infringed party bears the burden of proof; they must, as far as possible and reasonable, explain all circumstances that speak in favour of the realisation of the profit or its reduction. The submission of a plausible amount is sufficient; the other invoice items do not have to be presented individually.¹¹³ The estimation possibility also exists for the production costs. The infringer must deny the estimated production costs by appropriate methods such as proper accounting.¹¹⁴

Unjustified enrichment is not admissible in any case.

D. Requirement of bad faith

Bad faith plays a role in connection with the recovery of the infringer's profit based on Article 423 CO. In accordance with jurisprudence and doctrine, it constitutes a subjective precondition for the recovery of the infringer's profit.¹¹⁵ According to the Federal Supreme Court, anyone who knew,

¹¹¹ Markus R. Frick, Art. 55 N 74 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

¹¹² Federal Patent Court of 19 March 2014, "Netzstecker", Sic! 2014, 560, consid. 4.3.

¹¹³ Federal Patent Court of 19 March 2014, "Netzstecker", Sic! 2014, 560, consid. 4.3.

¹¹⁴ Markus R. Frick, Art. 55 N 97 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

¹¹⁵ Federal Patent Court of 19 March 2014, "Netzstecker", Sic! 2014, 560, consid. 8.1.

ought to have known or could have known, measured by the standard of good faith, that an erroneous legal position exists, is in bad faith.¹¹⁶ There is no general obligation to investigate, but anyone who has reason to suspect that they are in an erroneous legal position must do so. Only those who - in case of doubt - do not clarify the matter are inattentive.¹¹⁷

In practice, bad faith is usually given after receipt of a warning letter.¹¹⁸ Bad faith is assumed if the infringer obtains a product from a region where it is generally known that the intellectual property rights of third parties are not always given adequate attention and does not clarify any infringement of industrial property rights.¹¹⁹ According to the general principles, the injured party is responsible for proving bad faith.¹²⁰

E. Preliminary damages

The assertion of damages is limited to the main proceedings. With regard to preliminary measures, reference is made to the respective chapter.

F. Other measures of compensation

In application of Article 43 CO, damages may also include real compensation in the form of appropriate declarations for the establishment of a lawful state.¹²¹ The transfer of domain names to the right holder can be considered as the most common application.¹²² The defendant is obliged to provide all information necessary for transferring the domain names¹²³. Here it is never checked whether the value of the domain actually corresponds to the damage.

G. Recovery of expenses and legal costs

The Swiss Code of Civil Procedure governs the cost and compensation consequences. The costs are charged to the unsuccessful party. If an action is not admitted by the court or if it is withdrawn, the plaintiff is deemed to be the unsuccessful party; in case of acceptance of the claim it is the defendant. If no party is entirely successful, the costs are allocated in accordance with the outcome of the case.¹²⁴

The procedural costs include the court costs and the party costs. The party costs are determined according to tariffs, whereby the parties can submit a fee invoice. In addition to the costs of professional defence, necessary expenses are then eligible. This also includes expenses for the procurement of decisive evidence or for the translation of physical records. Expenses incurred in connection with specialists such as patent attorneys are to be examined for their necessity, expediency and appropriateness.¹²⁵

In accordance with Article 107 CPC, the court may diverge from the general principles of allocation and allocate the costs at its own discretion. If a case is settled in court, the costs are

¹¹⁶ Federal Supreme Court of 17 July 2003, „Logotype“, Sic! 2004, 90.

¹¹⁷ Federal Patent Court of 19 March 2014, „Netzstecker“, Sic! 2014, 560, consid. 4.3.

¹¹⁸ Markus R. Frick, Art. 55 N 102 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

¹¹⁹ Federal Supreme Court of 17 July 2003, „Logotype“, Sic! 2004, 90.

¹²⁰ Federal Supreme Court of 8 February 2013, „Pneu Online II“, Sic! 2013, 360.

¹²¹ Federal Supreme Court, BGE 128 III 401 of 23 July 2002, consid. 8.

¹²² Federal Supreme Court of 6 March 2007, „swiss-life.ch/la-suisse.com“, Sic! 2007, 543, 545.

¹²³ Roger Staub, Art. 55 N 108 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

¹²⁴ Art. 106 CPC.

¹²⁵ Viktor Rüegg/Michael Rüegg, Art. 95 N 17 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

charged to the parties according to the terms of the settlement. Finally, unnecessary costs, pursuant to Article 108 CPC, are charged to the party that caused them. The costs must have arisen through culpable or at least disorderly behaviour, i.e. with disregard for reasonable diligence.¹²⁶

The opposition proceedings as well as the proceedings for cancellation due to non-use are administrative proceedings, which usually do not lead to any party compensation. However, the Trademark Protection Act provides compensation in these cases. Pursuant to Article 34 TmPA, the Swiss IPI determines whether and to what extent the losing party must pay compensation to the successful party. In the case of a substantive appeal decision, compensation is generally due. However, the award is made with restraint; as a rule, CHF 1,200 is adjudged per submission. In this context, it is important that the opponent receives a warning letter first. This follows from the pre-litigation duty to provide information.¹²⁷ Failure to issue a warning letter may result in the costs being charged to the opposing party; they will then not receive any compensation. This is the case if the opponent submits after the opposition has been filed but before the first exchange of written submissions and deletes the mark to the extent of the opposition. Moreover, if the parties agree and the opponent partially acknowledges the opposition and restricts their list of goods and services accordingly and the opposing party withdraws the opposition for the remaining part of the claimed goods and services, the IPI waives the fee. It even refunds the opposition fee paid by the opposing party if the parties waive the right to appeal and agree on the consequences of compensation.

VII. Other remedies

A. Corrective measures

As far as the question of preliminary measures is concerned, reference is made to the corresponding chapter. On the other hand, the measures issued together with the judgment, such as the injunction, are only to be implemented from the point in time mentioned in the judgment. Consequently, corrective measures - as long as an appeal against the judgment is still possible - can only be implemented after the judgment has become final. If a preliminary measure is followed by an ordinary trial, these measures generally also apply during the ordinary procedure and are subject to judgment if necessary.

B. Recall, Removal from the channels of commerce and destruction

The problem often arises that the majority of the goods to be confiscated has already been delivered to various customers or resellers and is still in stock there. The court can order the supplier to recall these goods. The obligation only reaches as far as the resellers are willing to return them voluntarily. Although buyers are not obliged to return goods, practice shows that they are willing to make use of this possibility of return, especially since otherwise they have to fear that they will soon themselves become the target of a recovery measure.¹²⁸

In principle, the infringing goods or, more specifically, the confiscated objects must be destroyed if they cannot be utilized. Under certain circumstances, utilization may also lie in the fact that, in application of Article 46 TRIPS, the confiscated goods are transferred outside the commercial

¹²⁶ Viktor Rüegg/Michael Rüegg, Art. 108 N 1 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

¹²⁷ David et al.: SIWR 1/II (3rd edn, 2011) 1238.

¹²⁸ Markus R. Frick, Art. 57 N 22 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017); Mark Schweizer, Art. 72 N 19 in Mark Schweizer, Herbert Zech, Stämpfli Handkommentar Patentgesetz (1st edn, 2019).

channels to an aid organization for its own use without resale. Donations in kind for the needy and for recognized charitable organizations and relief organisations are even privileged under customs law.¹²⁹

Destruction is the *ultima ratio* in any case. It is also possible, for example, to disguise an eligible infringing sign. In the case of patent infringements, elimination of the infringing characteristic of a product is also considered as a milder measure.

C. Declaratory judgments

The relevant substantive laws govern the action for declaratory judgment. Article 61 CopA can serve as an example: Any person who can demonstrate a legal interest may bring an action for a declaratory judgment on whether or not a right or legal relationship exists under this Act. In addition, Article 74 PatA provides a non-exhaustive list of possible declaratory judgments. This includes for example, the declaratory judgment that a particular patent is valid, that a particular patent is not enforceable against the plaintiff by virtue of a legal provision or that a particular patent, which violates the double patenting prohibition, has become invalid, et seq.

Pursuant to the constant jurisdiction of the Federal Supreme Court, an action for a declaratory judgement must be admissible if the claimant has an immediate and legitimate interest. Further, this interest does not have to be legal, a factual interest is sufficient. These requirements are fulfilled in particular if the legal relationship between the parties is uncertain and this uncertainty can be resolved by a court ruling, whereby in the case of a negative declaratory judgement any interests of the creditor must also be taken into account.¹³⁰ The fact that the Federal Supreme Court seems to accept so-called “forum running”, in the sense of securing a court’s jurisdiction through a negative declaratory relief, is worth mentioning.

As already mentioned, in accordance with the jurisprudence of the Federal Supreme Court, the action for a declaratory judgment is admissible if the plaintiff has a considerable legal interest worthy of protection, which need not be a legal interest, but can also be of purely factual nature. This prerequisite is fulfilled in particular if the legal relationship between the parties is uncertain and the uncertainty can be remedied by a court ruling, whereby in the case of negative declaratory actions any interests of the creditor must also be taken into account.¹³¹ As already explained at the onset, the Federal Supreme Court now also permits the so-called “forum running”, i.e. securing of a place of jurisdiction by negative declaratory action.

The declaratory action is merely of a subsidiary nature. It is omitted if the dispute can be resolved via an action for performance or an action to modify a legal relationship.

Reference should also be made to the practice of the Federal Patent Court according to which declaratory judgements cannot be made in preliminary measure proceedings. On the other hand, the applicant should be able to have the other party prohibited from asserting a legal relationship or not.¹³²

VIII. Right of information

¹²⁹ David et al.: SIWR 1/II (3rd edn, 2011) 303.

¹³⁰ Federal Supreme Court, BGE 133 III 282 of 13 March 2007, consid. 3.5 with reference to Federal Supreme Court, BGE 131 III 319 of 3 February, consid. 3.5.

¹³¹ Federal Supreme Court, BGE 133 III 282 of 13 March 2007, consid. 3.5 with further reference.

¹³² Federal Patent Court, S2012_005 of 13 June 2012, consid. 11; Mark Schweizer, Art. 74 N 23 in Mark Schweizer, Herbert Zech, Stämpflis Handkommentar Patentgesetz (1st edn, 2019).

A. Concept and requirements

All intellectual property laws provide that the infringer must disclose the origin and quantity of the products in his possession.¹³³ As exemplary for all, design law states that a right holder whose rights have been infringed or threatened may request the court to order the defendant to provide information on the origin and extent of unlawfully manufactured items in his possession and to name the recipients and disclose the extent of any distribution to commercial customers. In procedural respects, these are actions for performance, which is why reference can be made to the general remarks concerning infringement actions.

In addition to the preparation of property claims, the claim for information serves to combat piracy. The intention is to provide the owner of the intellectual property rights or the exclusive licensee with the necessary information to ward off existing or impending infringements. It is therefore directed against every owner of objects infringing property rights; based on the wording of the text of the law, the action is directed not only against the owner of goods, but also against owners of other objects such as brochures (e.g. for services) or other advertising material.¹³⁴

This presupposes, of course, that an infringement of property rights exists, for example, that goods are illegally marked with a trademark or an indication of source. However, it should be sufficient to attach the sign without the consent of the right holder, which is for example not the case with parallel imports.¹³⁵

It is self-evident that the defendant must have the objects in question in their possession; whereupon 'possession' is understood in a factual and not in a legal sense. Consequently, the obligation to provide information is directed against all direct or indirect owners and servants of property.¹³⁶ This includes warehouse keepers, freight forwarders and carriers. However, the inventory no longer has to exist at the time the claim is asserted. Previous possession should already be sufficient to secure capacity to be made a defendant; otherwise everyone could quickly evade their responsibility.¹³⁷

The text of the law, specifically the term "items in his possession", e.g. Article 35 DesA, should be interpreted broadly and should in particular also include data stored on a server if these data are used to offer goods which are infringing industrial property rights.¹³⁸ Accordingly, internet providers and consumers are also subject to the duty to provide information. Clearly, this is subject to the principle of proportionality. The assertion by a defendant, who is obliged to keep accounts that the procurement of information involves disproportionate effort, is irrelevant. It can regularly be assumed that, if an obligation to keep accounts exists, the corresponding documents are available and incoming goods are checked.¹³⁹

Finally, it should be noted that, in addition to the ordinary procedure, the right to information could also be asserted within the framework of the preliminary measures, if the requirements of the preliminary measures are fulfilled. With regard to the prerequisites for preliminary measures, reference is made to the respective chapter.

¹³³ Art. 55 TmPA; Art. 35 DesA; Art. 62 CopA; Art. 66 PatA.

¹³⁴ Roger Staub, Art. 55 N 67 in Michael Noth/Gregor Bühler/Florent Thouvenin, *Stämpflis Handkommentar Markenschutzgesetz* (2nd edn, 2017).

¹³⁵ Handelsgericht Zürich of 13 December 2007, "PUMA", *Sic!* 2009, 411, 415.

¹³⁶ Markus R. Frick, Art. 55 N 59 in Lucas David, Markus R. Frick, *Basler Kommentar Markenschutzgesetz* (3rd edn, 2017).

¹³⁷ Kantonsgericht Wallis of 16 December 2015, "Rainer Maria Rilke/ Rilke", *Sic!* 2016, 343, 346.

¹³⁸ Markus R. Frick, Art. 55 N 59 in Lucas David, Markus R. Frick, *Basler Kommentar Markenschutzgesetz* (3rd edn, 2017).

¹³⁹ Obergericht Luzern of 16 August 2006, «G-Star/G-Star Raw», *Sic!* 2007, 112, 114.

B. Information that can be obtained

The right for information is first directed to the question of the origin of the goods. Not only information about the direct supplier, but about all previous owners is to be given.¹⁴⁰ However, the Commercial Court of Zurich has a different opinion, stating in a decision issued in 2010 that the obligation of the defendants to indicate the origin of the objects in their possession refers only to the direct supplier and not to earlier parts of the supply chain.¹⁴¹ In any case, information about the direct supplier must be provided. This includes both name and address.

Furthermore, the owner must provide the right holder with information about the quantity of goods that are or were in their possession. From the fact that the owner must provide information about the origin of the goods, it follows that the owner must provide information about which quantity comes from which supplier.

Understandably, there is also an obligation to declare the scope of the transfer. The information about the quantity of the transfer must only be provided to the extent that an actual transfer has taken place. In contrast, a planned disclosure is not covered by the duty to provide information. Since in principle no defence claims can be asserted against private customers, the information is limited to commercial customers.¹⁴²

Although the claim is based on a mere declaration of knowledge, the defendant may be required to submit supporting documents such as offers, delivery notes or invoices. The defendant's information or its truthfulness can hardly be verified otherwise.¹⁴³

C. Confidential information and personal data

The Federal Act on Data Protection (FADP) protects data relating to individuals, which are considered as being personal data. In addition to the disclosure of personal data, the right to information may also affect confidentiality interests. This applies to both the infringer and the supplier.

The Swiss legislator, on the other hand, has strengthened the obligations of the infringer to provide information. The infringers are now also obliged to provide information on the recipients and the extent of which the information is passed on to purchasers - insofar as they are acting commercially. In this way, the aggrieved party should also be able to access the goods that are already on the market. The extended duty to provide information includes all information on the identity of the persons involved in the distribution of the infringing goods or services and on their distribution channels. With this claim for information, the legislator has already weighed up the interests of the injured party.¹⁴⁴ In principle, the right of information takes precedence over the infringer's (secrecy) interests.¹⁴⁵

D. Misuse of information

However, the above-mentioned extensive claims for information do not apply indefinitely. Although the legislator has decided in favour of the injured party to weigh up the legal interests of

¹⁴⁰ Roger Staub, Art. 55 N 75 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

¹⁴¹ Handelsgericht Zürich of 9 July 2010, «Wunder-Baum», Sic! 2011, 39, 42.

¹⁴² Roger Staub, Art. 55 N 76 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

¹⁴³ Markus R. Frick, Art. 55 N 65 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

¹⁴⁴ David et al.: SIWR 1/II (3rd edn, 2011) 352.

¹⁴⁵ Obergericht Luzern of 16 August 2006, «G-Star/G-Star Raw», Sic! 2007, 112, 114.

the owner of unlawfully manufactured objects, the right to information may not be misused for the mere purpose of spying on third-party trade secrets. Accordingly, demonstration of current or previous possession of goods must be demanded and, if the request is not made in connection with an infringement action, that it at least be made credible that the product is unlawfully manufactured or deemed unlawfully manufactured in Switzerland.¹⁴⁶

It is important to reiterate that the principle of proportionality limits the right of information to the information necessary for prosecution. Therefore, financial information such as prices, costs, margins, et seq is not subject to the independent right of information.¹⁴⁷

IX. Alternative measures

A. Measures in cases of unintentional action and without negligence

As already explained, claims for injunctive relief and removal - in contrast to claims for damages and satisfaction - are independent of culpability. This also applies to declaratory actions equivalent to injunctive relief and removal. The measures in connection with removal and injunctive relief are therefore the same. The question of unintentional action and without negligence therefore only arises in regard to the question of compensation and satisfaction. A warning letter from the right holder can destroy good faith.

B. Publicity measures

Each respective intellectual property law contains a provision according to which the court may authorise the successful party to publish the judgment at the expense of the opposing party; the court determines the form, extent and timing of the publication.¹⁴⁸ The judge must weigh up the mutual interests when assessing the request for publication and let themselves be guided by the principle of proportionality.¹⁴⁹

Not only the plaintiff may request a publicity measure. Rather, the defendant can also demand that in the case of dismissal of the action, the dismissal judgment be published. This is particularly advantageous if the defendant has already been made public as an infringer. It appears necessary not only publishing the dispositive with the reference to the dismissal of the action. Therefore, in addition to the dispositive, at least the legal requests must be included in the publication and, if necessary, it must be sketched out that the behaviour complained of is not unlawful.

The plaintiff or the party requesting the publication of the judgment must specify the form, extent and timing of the desired publication. Ultimately, however, the judge determines the form, extent and timing of the judgment publication. As stipulated in the respective substantive laws, the publication of the judgment is always at the expense of the losing party.

C. Other alternative measures

Reference is made to the previous explanations in this context.

¹⁴⁶ Andreas Jermann, Art. 35 N 42 in Roger Staub / Alessandro L. Celli, Designrecht (1st edn, 2003).

¹⁴⁷ Christoph Willi: MSChG. Markenschutzgesetz (1st. edn, 2002) Art. 55 N 41.

¹⁴⁸ Art. 70 PatA.

¹⁴⁹ David et al.: SIWR 1/II (3rd edn, 2011) 337.

X. Abuse and indemnification of the Defendant

Reference is made to the relevant chapters on preliminary measures, in particular to the question of security. Claims for damages can be asserted analogously to the conditions already explained; the damage caused by an abusive measure is to be compensated.

XI. Administrative procedures

In the field of trademark law in particular, the opposition proceedings as well as the cancellation proceedings for non-use at the Institute of Intellectual Property must be pointed out. The cancellation procedure for non-use is still very young. Cancellation proceedings have been possible since 1 January 2017.

Article 12 TmPA provides that if the proprietor does not use the trademark in connection with the goods or services for which it is claimed during an uninterrupted period of five years after the unused expiry of the opposition period or after the opposition proceedings have ended, they may no longer invoke their trademark right unless there are important reasons for non-use. Where the proprietor has not used the trademark in relation to the goods or services for which it is claimed for an uninterrupted period of five years following the expiry of the opposition period with no opposition having been filed or upon conclusion of opposition proceedings, he may no longer assert his right to the trademark, unless there are proper reasons for non-use. Any person may file a request for cancellation of the trademark with the IPI on the grounds of non-use in accordance with Article 12 TmPA. The request may be filed at the earliest, if no opposition has been filed, five years following the expiry of the opposition period or in the event of opposition proceeding, five years after the conclusion of opposition procedure. The request is deemed to have been filed as soon as the appropriate fee has been paid.¹⁵⁰

The consequence of this wording of the law is that anyone - irrespective of an interest in legal protection - can file an application for cancellation of the trademark for non-use. In fact, only the person who has a real interest in it will file the application. A plea of the trademark owner saying that the applicant has no legal interest remains irrelevant. Nevertheless, the application is subject to certain conditions:

The application must be submitted in duplicate and contain the personal details of the applicant party. It must also contain the registration number of the trademark registration the cancellation of which is requested, and the name or business name of the owner. Finally, a declaration must be made as to the extent to which the cancellation is requested and the reasons for and credibility of the non-use must be given. Evidence must be enclosed with the application. This may include information from third parties or the parties, legal records and expert reports. In practice, suitable research institutes are mandated to prepare a report on the use. Such a report can then serve as evidence of non-use of the trademark.

The opposition procedure constitutes a further administrative procedure. The opposition procedure is an administrative procedure before the Institute of Intellectual Property. The procedure is intended to give the proprietors of prior trademarks the opportunity to invoke relative grounds for exclusion after publication before the registration authority. The licensee is not entitled to file an opposition.

¹⁵⁰ Art. 35 TmPA.

In addition to prior trademarks, trademarks not registered in Switzerland but well known within the meaning of the Paris Convention in conjunction with the Trademark Protection Act may also serve as a basis for opposition. In order for a well-known trademark to be respected in opposition proceedings as an earlier trademark, an international context is required insofar as only an owner of an earlier foreign trademark whose trademark is well-known in Switzerland can rely on a well-known trademark. If the opponent cannot rely on a trademark protected abroad, the opposition must be rejected for this reason without further examination of the required reputation of the sign.

With regard to the remedies of the opposition proceedings, it should be noted that the decision of the Institute for Intellectual Property may be appealed before the Federal Administrative Court. The Federal Administrative Court has final jurisdiction; an appeal to the Federal Supreme Court is not admissible.

Dispute settlement proceedings concerning the domain names of the registry organizations are subject to special rules. For disputes concerning the cTLDs “.ch” and “.li”, the procedural rules of SWITCH apply. In contrast, .swiss domains are subject to the General Uniform Domain Name Dispute Resolution Policy and the Uniform Rapid Suspension.¹⁵¹

XII. Industry self-regulation

At this point, reference must be made in particular to copyright law. As explained in the section on "Intermediaries", the revision of copyright law has introduced a so-called stay-down obligation for hosting providers. The aim of this obligation is that the anti-piracy measures should start where they are most efficient, namely with the hosting providers. Hosting providers should not host piracy platforms and should act quickly in the event of copyright infringements. Even before the revision of the copyright law, they did this through voluntary self-regulation:

SWICO, the economic association of the Swiss ICT and online industry, has adopted a Code of Conduct Hosting.¹⁵² In it, the association defines notice-and-notice or notice-and-takedown procedures. These procedures already exist in the European and international self-regulation instruments of Internet service providers (ISP) and hosting provider associations. In summary, Swico's Code of Conduct Hosting contains procedural guidelines for dealing with notices of possible unlawful content. However, the scope of the Code of Conduct is not comprehensive. In particular, it does not cover internet access services and services for storing, processing and making content accessible to third parties, so-called cloud services.

Apart from the provisions on notice-and-notice or notice-and-takedown, the Code of Conduct for Hosting explicitly does not stipulate any obligation to monitor hosting providers: The Code of Conduct states that the providers are not obliged to actively monitor the content. Only the customer is responsible for contents which they save, process or make available to third parties while using the hosting services. This principle is also followed by the definition of 'notice': This is the notification of a person concerned that content made publicly accessible by the customer is unlawful. It is necessary that the alleged data subject is more intensively affected by the alleged

¹⁵¹ Markus R. Frick, Art. 51a-60 N 51 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

¹⁵² SWICO, Code of Conduct Hosting, Notice-and-Notice bzw. Notice-and-Takedown, 15 April 2020.

violation of rights than a third party or the general public. The special affectedness is not necessary in the case of official offences.

Materially and formally, the notice must contain at least the name and address of the allegedly affected party, a justification of the sender's particular concern, the URL of the page complained about, the exact designation of the allegedly inadmissible content and a justification of the inadmissibility of the content.

The other provisions concerning self-regulation regulate, among other things, internal organisational measures and definitions of terms. The current Code of Conduct Hosting has been in force since 15 April 2020. However, as already mentioned the Code of Conduct Hosting is an instrument of voluntary self-regulation. Thus, it is ineffective where hosting providers transform copyright infringement into a kind of business model.

4. CRIMINAL IP PROCEDURES

I. Criminal IP infringements

The cantons are responsible for criminal prosecution. The criminal provisions of intellectual property law are to be found in their respective substantive laws. These apply together with the general parts of the penal code. In particular, the latter provides answers to delimitation questions such as intent and negligence, perpetration and participation as well as if the crime committed is a felony (custodial sentence over 3 years or a monetary penalty), a misdemeanour (custodial sentence below 3 years or a monetary penalty) or a contravention (a fine).¹⁵³

The penal provisions of intellectual property law lay its focus on the question of perpetration and participation as well as commercial activity. The definition of commercial activity according to the Federal Supreme Court depends on the acting on a regular basis for financial gain. In addition to the expenditure of time and resources, it must be concluded from the overall circumstances that the offender is prepared to generate an income through these tortious acts, which represents a significant financial commitment to his or her life.¹⁵⁴ A case-by-case assessment is decisive.

One example of such a case-by-case assessment is the decision of the criminal court Basel-Stadt from 31 January 2003, where the court denied commerciality in a case of copyright infringement despite a net profit of over CHF 250,000. The decision was based on the fact that the perpetrators were running a website as a hobby, with costs threatening to ruin them financially (costs of several CHF 1,000 per month). Through banner advertising and the sale of CDs, an attempt was made to keep the hobby website alive. Therefore, a "social dangerousness" is not to be assumed and the commercialism must be denied.¹⁵⁵

The existence of commercial activity has various consequences: For example, the commercial commission of an offence leads to a felony and thus to a higher level of punishment, whereas the simple commission of an offence constitutes a misdemeanour. It is then no longer an offence on complaint, but an official offence, and therefore prosecuted *ex officio*. Finally, a professional offence could be of interest to the authorities to the extent that it could constitute a predicate offence to money laundering.¹⁵⁶

Regardless of the commercial activity, the fundamental offence of the respective tortious act requires intent. Even conditional intent is enough.¹⁵⁷ The perpetrator must know that a property right exists; however, the requirements are not very high.¹⁵⁸ On the other hand, an offence does not require either an intention to enrich or an intention to cause damage. Even the favourable or even free distribution of infringing products is covered. The delimitation of intent is generally unproblematic. Difficulties can arise in the delimitation of perpetrators and participation as well as in the company field.

Article 48 SCC is to be emphasized in connection with the responsibility of the offender and the principal. The act by order of a superior is only a reason for mitigating the sentence and not a reason for exemption from punishment. This also applies to administrative criminal law.¹⁵⁹ Other persons such as the offender's superiors or clients can only be prosecuted according to

¹⁵³ Art. 10 SCC.

¹⁵⁴ Federal Supreme Court, 6B_333/2018 of 23 April 2019.

¹⁵⁵ Strafgericht Basel-Stadt of 31 Januar 2003, «Lyrics Server», Sic! 2003, 960, 962.

¹⁵⁶ David et al.: SIWR 1/II (3rd edn, 2011) 802.

¹⁵⁷ Art. 12 SCC.

¹⁵⁸ David et al.: SIWR 1/II (3rd edn, 2011) 857.

¹⁵⁹ David et al.: SIWR 1/II (3rd edn, 2011) 824.

the general principles if they have incited the offender to commit the offence or have supported or coined the execution of the offence as accomplices or accessories. As for the distinction:

An accessory by law is someone who authoritatively and intentionally contributed to the resolution, the planning or the execution of an offence and can therefore be prosecuted as a key participant. His contribution is essential, the criminal action stands or falls with him.¹⁶⁰ This is especially to be distinguished from complicity. Every causal contribution is understood as complicity in the sense of assistance, which advances the deed in a way that without the cooperation of the accomplice it would have panned out in a different way. There is no requirement that without the complicity the deed would not have taken place; the importance lays in the fact that the accomplice contributed a key part to the deed. Finally, any person who has wilfully incited another to commit a felony or a misdemeanour is an instigator.

In addition to the general provisions, the Swiss legislator has explicitly criminalised certain participatory actions. This way, the Trademark Protection Act contains penal provisions for any person who places goods on the market, provides services, or offers, imports, exports, carries in transit, or advertises such goods or services under the appropriated, counterfeited or imitated trademark.¹⁶¹

Regarding the acts of a superior, the conditions for a criminal prosecution require an active behaviour. By way of exception, inactivity in case of obligation to act can be prosecuted. The courts are often willing to hold a superior accountable. It is sufficient if the superior (guarantor¹⁶²) recognises or foresees as possible the actual facts of the case and, despite this knowledge, does not prevent them to the best of their ability because they wish to do so, whereby acceptance is sufficient.¹⁶³

Legal entities are not criminally liable. The only exception is a corresponding statute providing the ability to commit offences in a federal law or in cantonal law. Therefore, if criminal offences are committed in the business operations of a legal entity, the persons who acted or should have acted are liable to prosecution; only natural persons may act culpably in the criminal law sense.¹⁶⁴ The arising problem that in the case of large and partly decentralised companies, i.e. companies with different regional managements, it is often difficult or impossible to determine afterwards who is to be held responsible for a specific offence, has been solved by the provisions of administrative criminal law. Thus, in the case of offences threatened with less than CHF 5,000, disproportionate investigative measures can be omitted and the fine imposed on the company itself instead.

Finally, in regard with the criminal liability of companies, reference should be made to Art. 102 SCC. This provides for the exceptional sanctioning of a fine on a company in the event of a crime or misdemeanour. This presupposes that a felony or misdemeanour is committed within the framework of the company's business purpose and that the offence cannot be attributed to any particular person because of the company's poor organisational structure. Certain criminal offences, such as money laundering, are exempt from this, but are not discussed in detail here.

Finally, it should be pointed out that there are no special criminal regulations concerning internet providers; the general provisions therefore apply. The jurisprudence is inconsistent. This

¹⁶⁰ Federal Supreme Court, 6P.188/2006 of 21 February 2007.

¹⁶¹ Art. 61 TmPA

¹⁶² Art. 11 SCC, in the case of boards of directors, the actual situation in the company is decisive.

¹⁶³ Federal Supreme Court, BGE 120 IV 172 of 3 August 1994, consid. 3.

¹⁶⁴ Federal Supreme Court, BGE 105 IV 172 of 31 July 1979.

is partly due to the application of media criminal law. In their application, only the author is to be prosecuted. Without the application of media criminal law, the provider can be prosecuted as an accessory or even accomplice, with the corresponding consequences.

II. Criminal investigations

The starting point for any criminal investigation is the knowledge of the law enforcement authorities, the public prosecutor's office and the police. These authorities can be informed by means of a report or a criminal complaint. The type of disclosure depends on the type of offence. In the case of official offences, a report in the sense of a declaration of knowledge is sufficient. With regard to intellectual property law, only the offences of commercial activity are classified as official offences. The respective basic criminal offences are offences on complaint; the criminal prosecution authority only acts on the application of the injured party. Thus, a criminal complaint is always recommended.

Subsequently, a preliminary procedure is initiated, which consists of the investigative activity of the police and investigation by the public prosecutor's office. If the Public Prosecutor's Office opens an investigation, for example on the basis of the police's investigative activity, the preliminary proceedings end either with a ruling abandoning proceeding, a penalty order or an indictment.

However, the public prosecutor orders the complete or partial abandonment of the proceedings if no suspicions are substantiated that justify bringing charges, the conduct does not fulfil the elements of an offence, grounds justifying the conduct mean that it does not constitute an offence or if it is impossible to fulfil the procedural requirements or procedural impediments have arisen or a statutory regulation applies that permit the public prosecutor to dispense with bringing charges or imposing a penalty.¹⁶⁵ The public prosecutor brings charges in the competent court if, based on the results of the investigation, it regards the grounds for suspicion as sufficient and it is not competent to issue a summary penalty order.¹⁶⁶

Nothing can be done to counter the indictment. On the other hand, the summary penalty order - understood in the sense of a proposed judgment by the public prosecutor's office - can be challenged by means of an objection. Only then - regarding the summary penalty order - does the proceedings before the court of first instance take place. Against the decision of the competent court of first instance, an appeal may be lodged.

Coming back to the preliminary proceedings, the possible compulsory measures used in them should be brought to the fore. The Swiss Code of Criminal Procedure authorises the criminal prosecution authorities to confiscate objects and assets, if they are likely to be used as evidence, to secure procedural costs, fines and compensation, to return them to the injured party or if they are to be collected. In addition, the house search of warehouses, offices and other business premises is a much-used tool. In addition, the house search of warehouses and offices is a much-used tool. The private plaintiff has an interest in participating in these compulsory measures / investigative actions, since they know their products best and could give decisive information. The private plaintiff's participation in the house search is permissible in principle. The prosecution authorities would consider this, however, mostly as interference.¹⁶⁷

¹⁶⁵ Art. 319 Swiss Criminal Procedure Code (CrimPC).

¹⁶⁶ Art. 324 CrimPC.

¹⁶⁷ David et al.: SIWR 1/II (3rd edn, 2011) 1040.

The question of participation in investigative actions only arises in the case of parties in the respective criminal proceedings and only after the opening of the investigative action by the public prosecutor's office. The injured party has no opportunity to participate in investigative proceedings. This changes after the opening of the investigation and full party publicity applies. The injured party who constitutes themselves as a private plaintiff can participate in all evidence gathering:¹⁶⁸ participation in hearings of the accused person, asking supplementary questions, participation in the appointment of experts.

It is common for competitors to observe the market and even monitor it. The violations found can be used as evidence together with the criminal complaint or subsequently in the criminal investigation. These are also assessed by the public prosecutor's office within the framework of the evidence procedure. This follows from Article 139 CrimPC, according to which the prosecuting authority used all evidence, which is legally admissible and is suitable according to the state of the art and experience in order to establish the truth. Consequently, it must also be examined whether evidence provided by private individuals is unlawfully obtained. Usually, the market observations mentioned above are not unlawfully obtained and are easily recognized by the law enforcement authorities on file.

It is therefore advisable for the injured party to hand over to the criminal prosecution authority any evidence which proves a criminal offence or which is likely to be used together with the criminal complaint.

III. Penalties

Swiss criminal law generally applies the sanctions of custodial sentences, monetary penalties and fines. The relevant criminal offence, which names the sanction, is decisive. Irrespective of this, the minimum term of a custodial sentence is three days; a shorter custodial sentence in lieu of an unpaid monetary penalty or fine is reserved. The maximum term of a custodial sentence is 20 years.¹⁶⁹ Unless the law provides otherwise, a monetary penalty amounts to a minimum of three and a maximum of 180 daily penalty units. The court decides on the number according to the culpability of the offender. A daily penalty unit normally amounts to a minimum of 30 francs and a maximum of 3000 francs.¹⁷⁰ However, unless the law provides otherwise, the maximum amount of a fine is CHF 10,000.¹⁷¹ Exceptions to the aforementioned maxima must be expressly provided for in the law, for example in the case of the criminal liability of companies. In such cases, fines must be imposed depending on their performance up to a maximum of CHF 5,000,000.

As mentioned above, legal entities are – in principle - not criminally liable. The imposition of custodial sentences would not make sense either. The sanction of custodial sentences and monetary penalties is therefore directed at natural persons exclusively. Using the example of a concrete norm - design infringement - this means that the person who intentionally infringes a design by using it unlawfully or by participating in the act of use favours or facilitates its commission with a custodial sentence of up to one year or a monetary penalty. It follows that, with the exception of a connecting fine, the court cannot impose a fine, because the crime committed is a misdemeanour. Only monetary penalty or custodial sentence is permissible. The criminal norm limits the term of custodial sentence to a maximum of one year. On the other hand, the law already

¹⁶⁸ Art. 147 CrimPC

¹⁶⁹ Art. 40 SCC.

¹⁷⁰ Art. 34 SCC.

¹⁷¹ Art. 106 SCC.

limits monetary penalty to 180 daily rates; a sentence exceeding 180 days can only be imposed as a custodial sentence.

In Switzerland, the priority of the monetary penalty continues to apply: The court may impose a custodial sentence instead of a monetary penalty if a custodial sentence appears appropriate in order to prevent the offender from committing further felonies or misdemeanours or it is anticipated that it will not be possible to enforce a monetary penalty. The court must explain why it has decided to impose a custodial sentence.¹⁷² The court normally suspends the execution of a monetary penalty or a custodial sentence of no more than two years unless an unsuspended sentence appears to be necessary in order to prevent the offender from committing further felonies or misdemeanours.¹⁷³ As a result, sentences for first offenders are hardly ever pronounced unconditionally, but postponed under the arrangement of a probationary period. Crimes or offences committed during this period can lead to the execution of the suspended sentence. The postponement is usually connected with a connecting fine in the sense of a warning note. The role of the suspect within the company plays no role in the choice of sanction. At most, this is taken into account at the level of the sentencing - determination of the amount. The amount of the individual daily rate is then determined independently of the punishment committed according to the financial capacity of the accused person.

There are no further sanctions. Confiscation as the only sanction in criminal proceedings is provided for in trademark, design, copyright and patent law. The court may order the forfeiture and sale or destruction of the unlawfully produced items or equipment, devices and other means that primarily serve their manufacture, even in the event of an acquittal.¹⁷⁴

At this point it is necessary to point out an exception concerning the culpability of infringements of intellectual property rights: In copyright law, private use¹⁷⁵ is exempt from legal prosecution. It follows from this that, for example, downloading - also via so-called peer to peer networks for private use - is generally exempt from punishment. A penalty, on the other hand, can be considered for the upload, which exceeds private use. Also excluded from criminal liability is the use of the work in a circle of persons who are closely connected to each other, such as friends or family. In each case, the line is crossed through making available and/or accessible works to everybody.

IV. Intervention and compensation of the private claimant

In addition to prosecuting and sanctioning the offender, the aggrieved person - so-called civil action / liability action - can assert civil claims in criminal proceedings. The civil action presupposes that the claims must originate from the criminal offence. The advantage of such a civil claim in criminal proceedings, however, lies clearly in the inquisitorial principle of the criminal proceedings: the prosecution authorities investigate the circumstances officially. Nevertheless, it is advisable to file evidence applications. The reason for this is that evidence relevant exclusively to civil actions can only be accepted upon request. Article 313 CrimPC obliges the public prosecutor's office to collect the evidence required for the assessment of the civil action, provided that the proceedings are not significantly extended or delayed as a result.

¹⁷² Art. 41 SCC.

¹⁷³ Art. 42 SCC.

¹⁷⁴ Art. 44 DesA.

¹⁷⁵ Art. 19 CopA.

In intellectual property law, all claims arising from acts of infringement can be enforced. This includes claims for damages and satisfaction as well as claims arising from unjust enrichment. Other claims under civil law, such as injunctive relief or removal, would also be possible.¹⁷⁶

Anyone who wants to file a civil action must constitute himself as a private plaintiff in the civil point. This must be done as soon as possible; in any case, the claim must be made until the investigation pursuant to Article 318 CrimPC has been completed. If possible, the claims must be quantified and substantiated. The court decides on pending civil claims in the event that it convicts or acquits the accused and the court is in a position to make a decision.¹⁷⁷ It may, however, also refer them to civil proceedings if, *inter alia*, the criminal proceedings are discontinued, the civil claim is settled in criminal proceedings or if the action is not sufficiently substantiated or quantified. If the accused person is acquitted, the court refers the civil action to civil proceedings if the facts of the case do not yet allow for a decision. In addition, if the complete assessment of the civil claim would be disproportionately costly, the court can only decide the civil action in principle and otherwise refer it to the civil court.

V. Initiative of the IP right holder

As mentioned above, non-commercial infringements of intellectual property rights, as well as infringements of unfair competition, are only prosecuted on application. According to the general principles, only the infringed party can file a criminal complaint¹⁷⁸, whereas any person can file a report. The law stipulates whether a criminal offence is to be prosecuted only on application, or whether it is an official offence, which means that criminal prosecution must be conducted *ex officio*. The basic offences in the intellectual property rulings are offences on application, whereas the offences committed commercially are official offences.

Intellectual property rights generally entitle the right holder to file such an application; in the case of register rights, the respective register determines it. The reason for acquisition is irrelevant, only the entry is decisive. Similarly, the entitlement to file an application under copyright law belongs to the copyright holder himself or to any other person who has lawfully acquired the right.¹⁷⁹ In the case of all intellectual property rights, where several parties share the same right, each party is entitled to submit its own criminal complaint.¹⁸⁰ A differentiated approach is required for licensees. In principle, they can only file a criminal complaint, if the license agreement expressly authorises them to do so. Such an explicit authorisation is, however, not necessary in the case of an exclusive or qualified license; the licensee has a similar and therefore protected interest in preventing use as the right holder.¹⁸¹

The deadline for submitting a criminal complaint is generally three months.¹⁸² In deviation from this general provision, the deadline for patent and variety protection infringements has been increased to six months.¹⁸³ It is not the mere suspicion that triggers the deadline, but the need for knowledge of the offence and the perpetrator; a duty to know is not enough. This is due to the

¹⁷⁶ David et al.: SIWR 1/II (3rd edn, 2011) 1119.

¹⁷⁷ Art. 126 CrimPC.

¹⁷⁸ Art. 30 SCC.

¹⁷⁹ Christof Riedo: Der Strafantrag, Grundlegendes Recht Band 7 (1st edn, 2004) 237.

¹⁸⁰ Christof Riedo: Der Strafantrag, Grundlegendes Recht Band 7 (1st edn, 2004) 223 et seq.

¹⁸¹ Christof Riedo: Der Strafantrag, Grundlegendes Recht Band 7 (1st edn, 2004) 225 et seq.

¹⁸² Art. 31 SCC.

¹⁸³ Art. 81 PatA.

fact that it must be possible for the injured party to clarify the facts of the case and thus protect themselves from slander and false accusation.¹⁸⁴

A criminal complaint must be submitted within the deadline in writing or made orally and noted down in an official record. It must be made to the police, the public prosecutor or the authority responsible for prosecuting contraventions.¹⁸⁵

¹⁸⁴ Federal Supreme Court, 6B_451/2009 of 23 October 2009, consid. 1.2.

¹⁸⁵ Art. 304 CrimPC.

5. IP ENFORCEMENT THROUGH ARBITRATION AND ADR

I. General

The Swiss Civil Procedure Code and the Federal Act on Private International Law govern the legal basis of arbitration. The provisions of the Swiss Civil Procedure Code always apply in cases where there is no case of private international law, i.e. where it is a national matter. Both laws govern whether a case is suitable for arbitration. The Swiss Civil Procedure Code determines that any claim over which the parties may freely dispose may be the object of an arbitration agreement. The Federal Act on Private International Law states that any pecuniary claim may be subject of arbitration. Intellectual property disputes are subject to the free disposal of the parties and are therefore arbitrable.¹⁸⁶ In accordance with Article 373 CPC the parties may regulate the arbitration procedure themselves, by referring to a set of arbitration rules or according to a procedural law of their choice.

However, the advantages and disadvantages must be weighed up in each case. For example, an arbitral tribunal has the advantage that the arbitrator can be freely chosen, which allows for the arbitrator's specialist knowledge to be brought into the process. The possibility of regulating the confidentiality level of the proceedings is another point in favour of arbitration. On the other hand, the fact that an arbitral tribunal cannot order compulsory measures has a particularly negative impact; the involvement of third parties in the proceedings is not possible without a corresponding agreement with these third parties.

Finally, reference should be made to domain disputes. SWITCH has initiated dispute settlement proceedings for the ccTLD “.ch” and “.li” domains. By contrast, as far as the “.swiss” domain is concerned, which is only available to organisations with a connection to Switzerland, the ICANN procedural rules apply, i.e. the Uniform Domain-Name Dispute Resolution Policy and the associated Rules for Uniform Domain Name Dispute Resolution Policy.

II. Arbitrability

According to said the above, anything that is up to the parties' disposal may be the subject of arbitration. Accordingly, not only injury actions but also class actions are arbitrable. The limit therefore lies solely in those claims over which the parties cannot freely dispose.

In summary, claims arising from intellectual property rights: industrial property rights such as trademarks, design, patents, including actions for nullity of property rights entered in the register and copyright claims are arbitrable.¹⁸⁷

III. Possible measures and remedies in arbitration and ADR

The limitation of the arbitral subject matter to the free disposal of the parties leads to the result that the claims must be civil. For example, arbitral tribunals, unlike ordinary courts, cannot impose a disobedience sanction. Criminal law is the exclusive responsibility of the government. Article 374 CPC states that, if the person concerned does not comply with the measure ordered by the arbitral tribunal, the tribunal or a party may apply to the ordinary court for it to issue the necessary orders; if the application is made by a party, it requires the consent of the arbitral tribunal.

¹⁸⁶ David et al.: SIWR 1/II (3rd edn, 2011) 100.

¹⁸⁷ Urs Weber-Stecher, Art. 354 N 29 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

IV. Enforceability

Pursuant to Article 387 CPC, the arbitral award has the effect of a final and enforceable decision upon its opening. An arbitral award is only enforceable if the dispositive has an enforceable content. This is not the case for a judgment to modify a legal relationship or declaratory judgements.¹⁸⁸ A further exception exists if the arbitral award is null and void.

Enforcement then follows the general provisions applicable to decisions of the ordinary courts. In addition, an arbitral award, which orders a party to pay a penalty, constitutes a definitive title for execution in accordance with Federal Court rulings.¹⁸⁹ It is a special characteristic of Swiss law that the Swiss Intellectual Property Institute recognizes and enforces arbitral awards made by national and international arbitral tribunals in respect of class actions concerning Swiss trademarks.¹⁹⁰

An appeal against an arbitral award may be filed with the Federal Supreme Court. However, this does not prevent the enforcement of the decision as long as the Federal Supreme Court has not granted the appeal suspensive effect. This usually only happens if a party files an according request.

¹⁸⁸ Daniel Girsberger, Art. 387 N 24 in Karl Spuhler/Luca Tenchio/Dominik Infanger, Basler Kommentar Schweizerische Zivilprozessordnung (3rd edn, 2017).

¹⁸⁹ Federal Supreme Court, 5A_207/2016 of 14 September 2016, consid. 2.

¹⁹⁰ Roger Staub, Vorbemerkungen 51a-60 N 43 in Michael Noth/Gregor Bühler/Florent Thouvenin, Stämpflis Handkommentar Markenschutzgesetz (2nd edn, 2017).

6. CUSTOMS AND BORDER MEASURES

I. Suspension of release or detention by Customs Authorities

In accordance with the provisions of the TRIPS-agreement, the relevant intellectual property laws provide for customs assistance. The substantive laws specifically provide for two measures, namely the notification of suspicious consignments by the customs authorities and the detention of goods by the customs administration. Article 70 TmPA, as an example for the other protective rights, states that the custom administration is authorised to notify the proprietor of the trademark, the person entitled to use an indication of source or a party entitled to institute proceedings under Article 56 TmPA, if there is any suspicion of the imminent transport of goods that unlawfully bear a trademark or an indication of source into or out of the customs territory of Switzerland. In such cases, the customs administration is authorised to withhold the goods for three working days, in order that the proprietor of the trademark, the person entitled to use the indication of source or a professional or trade association entitled to institute proceedings under Article 56 TmPA may file an application under Article 71 TmPA.

The official confidentiality of the customs administration is then lifted within the scope of the notification authorisation. This does not apply in general, but only to certain persons. The content of the notification covers the import, export and transit of suspected goods and thus also their storage in a bonded free warehouse. It should be emphasised that the customs administration is neither obliged nor in a position to systematically search for suspicious consignments during the customs inspection. Therefore, there is no breach of official duty if piracy goods or counterfeits escape the attention of the customs authorities in spite of an inspection.

The period for the detention of suspicious items begins on the working day following receipt of the customs notification by the addressee, whereby the notification is not bound to any special form. A phone call, an e-mail or a fax message can therefore trigger the deadline.

The customs administration does not charge a fee for notifications to right holders without a request for assistance. On the other hand, the applicant for assistance is charged for the processing of applications for assistance from the customs administration. The fee ranges between a minimum of CHF 1,500 and a maximum of CHF 3,000. Each renewal of requests for assistance results in costs of at least CHF 500 and a maximum of CHF 1,500. The extension of requests for assistance to additional works, topographies, trademarks, designs or inventions leads to costs of at least CHF 750 and a maximum of CHF 3,000.

II. Application of border measures

Each law contains an analogous provision concerning the request for assistance from the customs administration. Article 71 of the TmPA, for example, provides that, if the proprietor of the trademark, the licensee entitled to institute proceedings, the person entitled to use an indication of source or a party entitled to institute proceedings under Article 56 TmPA has clear indications of the imminent transport of goods that unlawfully bear a trademark or an indication of source into or out of the customs territory of Switzerland, he or she may request the Customs Administration in writing to refuse the release of the goods.

According to the text of the law, the right to sue is not only granted to the rights holder but also to the exclusive licensees who have been authorised to do so. In addition, the laws may provide for other right holders, such as the collecting societies in copyright law. In application of Article 42 TmPA, for example, the trademark owner who is not resident in Switzerland must

appoint a representative established in Switzerland who can identify himself either by means of a power of attorney or an entry in the register.

In accordance with Article 112a of the patent ordinance, the Directorate of Customs in Berne is responsible for requests for assistance. No later than 40 days after receipt of the complete documents, the directorate of customs will decide on the application. The assistance is granted for a period of two years if it has not been requested for a shorter period; the request for assistance may be extended as often as desired for a period of two years. Upon receipt by the customs administration, the latter will examine the request for assistance. In addition to the formal examination, it is examined in particular whether the application contains a declaration of liability or whether a security must be required. There is a form for the declaration of liability.

As stated in the text of the law, an indispensable condition of such an application is the concrete evidence that goods unlawfully bearing a trademark or indication of source are to be imported, exported or stored in a customs warehouse. The general experience that the import of counterfeit branded goods is to be expected to repeat itself is not yet sufficient. Either concrete evidence of counterfeits already found in Switzerland (risk of recurrence) or concrete suspicions that a consignment with fake goods has been planned, is on its way or has already arrived (risk of first ascent) are required. If there is any information at all about expected imports of counterfeit goods, there is usually no written documentation on this. However, this does not affect the right to apply for assistance, as knowledge of suspicious consignments does not even have to be substantiated.

The customs procedure is a one-sided procedure with the aim of inducing the customs administration to take a certain action or to withhold goods. The decision of the Directorate General of Customs is final; the right of appeal is exhausted.

If the application is approved, all customs offices in Switzerland will be informed by the Directorate of Customs. To this end, it makes available on the customs administration's intranet in three languages the documents necessary to carry out the assistance, in particular the checklist for identifying counterfeit goods provided by the applicant in three languages.¹⁹¹

III. Security or Equivalent Assurance

The respective substantive laws all contain a provision with the marginalia 'accountability statement and damages'. If it is anticipated that withholding the goods may lead to a loss being incurred, the Customs Administration may make the withholding of the goods dependent on the applicant providing them with an accountability statement. As an alternative to this statement and where justified by the circumstances, the Customs Administration may request the applicant to provide appropriate security.

The liability guaranteed by the applicant serves as compensation for the retention of the goods, which is initially ordered without the rights of cooperation of the person entitled to the goods and thus prevents misuse.¹⁹² The declaration of liability adopted from EU law has replaced the provision of security to a large extent. According to the wording of the law, the provision of security is only required in justified circumstances. This is the case, among other things, if there are doubts about the applicant's liquidity or if the application is based on a dispute about the validity of the scope of protection of an industrial property right. While no fees are charged for the receipt of the declaration of protection of liability, a fee of CHF 30 per guarantee is charged for the provision of

¹⁹¹ Lorenz Ehrler, Art. 86k N 8 in Mark Schweizer, Herbert Zech, Stämpflis Handkommentar Patentgesetz (1st edn, 2019).

¹⁹² Robert Mirko Stutz, Stephan Beutler, Muriel Künzi: Stämpflis Handkommentar Designgesetz (1st edn, 2006) A49 N 1.

a guarantee as security. The declaration of liability can be downloaded as a form from www.evz.admin.ch and should be duly signed and submitted together with the application for assistance pursuant to Article 71 TmPA. The amount of any security deposit is usually between CHF 10,000 and CHF 250,000.¹⁹³

IV. Notice of suspension or detention

If the customs administration, based on an application, has reasonable grounds to suspect that certain items intended to be brought into or taken out of Swiss customs territory have been unlawfully manufactured, then it notifies both the applicant and the declarant, holder or owner of the items accordingly.¹⁹⁴ The customs administration is not only authorised, but also obliged, to inform the person entitled of the import, export or storage of certain consignments if the provisional suspicion is condensed into a well-founded suspicion.

The notification is made both to the applicant and to the declarant, holder or owner of the goods. The declarant is the person who must declare the goods for customs clearance. The owner is the person who physically holds the goods, e.g. the forwarding agent. In accordance with customs administration practice, the term declarant or owner also includes the consignee/importer upon import and the exporter upon export.

The customs administration provides the applicant with all the information necessary to obtain a preliminary measure. This includes all information collected under the customs declaration, in particular the place of storage of the goods found, their type and quantity, and the marks and indications of origin recorded thereon. In order for the entitled person to be able to obtain measures, he must also be informed against whom such an application would have to be made. However, the notification also includes, if available, the notification of the sender and recipient or other persons who are entitled to dispose of the goods.

Simultaneously with this notification, the Customs Administration informs the declarant, the holder or the owner of the goods of the possible delivery of samples or specimens or of the possibility of inspection.¹⁹⁵ Finally, information is also provided when the applicant submits an application for destruction of the goods.

Since January 2020, a consultation procedure regarding a 'Federal Act on the Introduction of a Simplified Procedure to Destroy Small Consignments in Intellectual Property Law' is ongoing. The applicant would then only be informed periodically and ex post of the quantity and nature of goods destroyed under the simplified procedure. Regarding the consultation procedure, see Section 6.X.

V. Duration of suspension or detention

For this purpose, the following information is generally referred to in section 6. The Customs Administration withholds the items in question for a maximum of ten working days from the time of notification to the applicant and the declarant, so that the applicant may obtain preliminary measures. Where justified by circumstances, the Customs Administration may withhold the items in question for a maximum of ten additional working days.¹⁹⁶

¹⁹³ Lorenz Ehrler, Art. 86k N 8 in Mark Schweizer, Herbert Zech, Stämpfli Handkommentar Patentgesetz (1st edn, 2019).

¹⁹⁴ Art. 48 DesA.

¹⁹⁵ Art. 72b TmPA.

¹⁹⁶ Art. 72 TmPA.

The deadline of 10 days begins with the arrival of the notification at the addressee. The deadline is met if at least one *ex-parte* interim seizure is made or a request for an extension of the suspension period is submitted. The provision that the customs administration may, in justified cases, extend the customs seizure for a further ten days has been inserted into the Act based on Article 55 TRIPS. As justification, for example, the reference to pending settlement discussions with the recipient or to a request for measures not yet settled by the competent judge should suffice. In addition, there is the possibility for the applicant to obtain samples or specimens and have photographs taken in order to make a definitive decision as to whether they are actually counterfeits. As a rule, this reservation is also sufficient to prolong the seizure if the initial period for obtaining the samples and photographs is not sufficient. The period of 10 days does not apply to precious metals; these can be retained without time limitation.

Within the maximum period of 10 working days to be set by the customs administration, the person entitled must take preliminary measures to decide on the further fate of the goods; in justified cases, the period may be extended by a further 10 working days, as in the case of detention. This period also does not apply to precious metals. Criminal proceedings also suffice.

VI. Indemnification of the importer and of the owner of the goods

The applicant is liable for any losses incurred from withholding the goods and from collecting the samples if preliminary measures are not ordered or prove to be unjustified. The general provisions of the Swiss Code of Civil Procedure govern the damage caused by maintaining the detention of the goods by means of legally ordered preliminary measures.¹⁹⁷

VII. Right of inspection and information

While the goods are being withheld, the Customs Administration is authorised to hand over or deliver to the applicant, on request, samples for examination or to permit the applicant to inspect the goods being withheld. The samples are collected and delivered at the expense of the applicant. They must be returned after the examination has been carried out, if this is reasonable. If samples are retained by the applicant, they are subject to the provisions of customs legislation.¹⁹⁸

In order to avoid having to travel to the customs office, the owner of the property right regularly has an interest in being sent samples and specimens of the suspect goods for examination. The request is granted unless the other party objects within the time limit: The Customs Administration may refuse to hand over samples on reasoned request from the declarant, holder or owner.¹⁹⁹ This requires that the refusal is necessary to protect trade and industrial secrets.

In order to verify whether the product seized is original, it is usually sufficient that only photographs are sent to the applicant instead of physical samples and specimens. In addition, the applicant remains authorised to request an on-site inspection.

VIII. Data Protection

¹⁹⁷ Federal Supreme Court of 13 September 2000, „Diesel (fig.)“, Sic! 2001, 38.

¹⁹⁸ Art. 72a TmPA; Art. 86d PatA; Art. 77a CopA; Art. 48a DesA.

¹⁹⁹ Art. 72b TmPA.

With regard to the information and data given to the applicant, reference is made to the previous titles of Chapter 6. The applicant must be enabled to take the necessary legal action based on the information.

On the other hand, Article 72b TmPA states, as an example for all other property rights, that the customs administration informs the declarant, owner or proprietor of the goods of the possible transfer of samples or specimens or the possibility of inspection. According to long-standing practice, the customs authorities also classify the consignee or importer or, in the case of exports, the exporter under the notion of declarant or owner. The exporter may demand to be present during the inspection in order to protect their manufacturing or business secrets.

The risk of an infringement of trade and factory secrets must only be claimed by the participant, but not substantiated. The customs authorities do not examine the merits of such allegations. During the inspection, the applicant may not take samples without the consent of the participant and may not photograph the goods. It is, however, permitted to open packaging and study documents such as consumer information, operating instructions, *et seq.*

Finally, the customs authority may also refuse to take samples at the reasoned request of the declarant, owner or proprietor and thus protect the data in a broader sense.

IX. *Ex officio* action

Please refer to section 6 I for further details. It should also be mentioned that in the case of foreign trademarks - in contrast to famous trademarks - the notification of the entitled party fails if the customs administration does not know whom to contact in Switzerland. There are no notifications to foreign countries.²⁰⁰ It is therefore advisable for foreign right holders to designate a representative in Switzerland or to apply for assistance.

X. Destruction or disposal of goods

The customs administration may not destroy the goods independently, but only with the consent of the declarant, owner or proprietor of the goods.

The applicant may request in writing, together with the request for detention, that the goods be destroyed. The customs authority informs the declarant, holder or owner of the goods accordingly. The latter now has ten days - this can be extended once for another ten days - to oppose the destruction by written notification. If he does not oppose, the destruction is simplified. The applicant will be informed of this and must pay a fee of at least CHF 50 for the destruction. Before the goods are destroyed, the customs office in question takes samples and specimens and keeps them for one year as evidence for any claims for damages.²⁰¹ After one year, the customs office requests the declarant, owner or proprietor to take the samples and specimens into his possession or to bear the costs of further storage. Instead of samples and specimens, the customs office may also take photographs of the destroying goods, provided that the purpose of securing evidence is ensured.

However, the opposition does not have to be justified. It is important for the applicant - in order to prevent the release of the goods - to obtain a preliminary measure within the time limit. The application for destruction does not extend the deadline for taking preliminary measures.

²⁰⁰ David et al.: SIWR 1/II (3rd edn, 2011) 1396.

²⁰¹ Art. 72e TmPA.

If the destruction of the confiscated goods proves to be unfounded, the applicant becomes liable for the resulting harm. The applicant is not liable if the declarant, holder or owner has agreed to the destruction.

In January 2020 the Swiss Federal Council opened the consultation procedure regarding the 'Federal Act on the Introduction of a Simplified Procedure to Destroy Small Consignments in Intellectual Property Law'. The aim is to create a simplified procedure for the destruction of small consignments allegedly infringing intellectual property rights. According to the Federal Council, small consignments of less than three items account for 90% of the goods seized by customs administration. The simplification lies in the fact that customs administration should only notify the applicant if it is established that the buyer of the goods opposes destruction, which is currently the case in less than 5%. The applicant would then only be informed periodically, and *ex post* of the quantity and nature of goods destroyed under the simplified procedure. The legal position of the buyer, most notably their option to refuse destruction or demand judicial review, would not change.

XI. *De minimis* imports and other exceptions

The term "commercial activity" is decisive. Article 9 PatA, for example, states that the effects of the patent do not extend to acts undertaken within the private sphere for non-commercial purposes. As in copyright, design and patent law, private use is not covered by the prohibition in trademark law. The import of counterfeit goods is therefore generally permitted. This also applies regardless of whether the counterfeit is detected or not.

However, on 1 July 2008 the Trademark Protection Act was amended by Art. 13 (2bis) TmPA and the Design Act by Art. 9 (1bis) DesA. Accordingly, the owner of the industrial property right can prevent the import, export or transit of commercially manufactured goods for private purposes. The import of commercially manufactured counterfeits is then treated as commercial imports, and the import of commercially manufactured counterfeits is therefore treated as commercial imports. In this case, the owner of the industrial property rights is also entitled to all civil law claims as well as the possibility of assistance from the customs administration.²⁰²

²⁰² Michael Isler, Art. 13 N 46 in Lucas David, Markus R. Frick, Basler Kommentar Markenschutzgesetz (3rd edn, 2017).

RELEVANT PROVISIONS

This section contains a to-date list of provisions mentioned in this volume. However, a number of disclaimers is required.

First, please note that this list does not represent the entire respective text of the law, but only selected articles that are treated above. This list is meant to be a reference for better understanding, to be contemplated along with the lecture of the explanations provided above. It does not replace a thorough legal research in view of concrete questions.

Second, even further restrictions are in order. Including every legal norm cited in this book without exception would not only prove overwhelming, but also futile, since not all of them are equally relevant for a summary overview over Swiss IP enforcement. For this reason, the author has opted to include only norms contained in the basic federal acts on IP (PatA, TmPA, DesA, CopA), central provisions on civil law (CC) and civil procedure (CPC), tort law (CO) and criminal law (SCC), including criminal procedural law (CrimPC).

Third, a remark on language is necessary. Switzerland has four national languages; English is not among them. Official English translations of the most relevant legislation are available; however, the government provides them for information purposes exclusively and they have no legal force. If the German, French, Italian or Romansch letter of the law contains any substantial difference to the English text cited below, it does therefore not only take precedence. Rather, the English text must not be considered a source of law from the outset, regardless of what it is compared to.

As a fourth and last remark, please note that the author has taken the liberty of displaying certain aspects in a different manner than it is the case in the official version. Namely, marginal numbering is omitted in this volume to reduce the amount of text and avoid difficulties regarding display. Footnotes contained in the official text are omitted for the same reason. In addition, abrogated passages are declared as such for a better understanding. In some cases, where a section of the law contains only one provision, the article does not have a title of its own. For ease of understanding, the according title is displayed here as if it were belonging directly to the provision. If you wish to cite any provisions as written in the law, the text below is insufficient and consulting the official text provided by the Swiss government is unavoidable. This is even more recommendable since revisions take place frequently and the text quoted below may change over time.

1. PATA

Art. 9 – Exceptions to effects of the patent / in general

¹ The effects of the patent do not extend to:

- a. acts undertaken within the private sphere for non-commercial purposes;

- b. acts undertaken for research or experimental purposes in order to obtain knowledge about the subject-matter of the invention including its uses; in particular, any scientific research concerning the subject-matter of the invention is permitted;
- c. acts necessary for obtaining marketing authorisation for a medicinal product in Switzerland or in countries with equivalent medicinal product control;
- d. the use of the invention for teaching purposes at educational institutions;
- e. the use of biological material for the purpose of the production or the discovery and development of a plant variety;
- f. biological material that is obtained in the field of agriculture due to chance or is technically unavoidable;
- g. acts undertaken as part of a medical activity concerning an individual person or animal and involving a medicinal product, in particular the prescribing, dispensing or use of medicinal products by legally authorised persons;
- h. the direct individual preparation of medicinal products in pharmacies in accordance with a doctor's prescription or to acts concerning medicinal products prepared in this way.

² Agreements which limit or revoke the powers contained in paragraph 1 are null and void.

Art. 33 – Transfer of the right to the grant of the patent and of the right to the patent

¹ The right to the grant of the patent and the right to the patent passes to the heirs; these rights may be assigned to third parties either wholly or in part.

² Where the said rights are owned by two or more persons, each entitled person may exercise the rights only with the consent of the others; however, each one may independently dispose of his part or bring an action for infringement of the patent.

^{2bis} The transfer of a patent application and of the patent by legal act is valid only if evidenced in writing.

³ A patent may be transferred without the transfer being recorded in the Patent Register; however, until an entry is made, any action provided for in this Act may be taken against the former proprietor of the patent.

⁴ Rights of third parties not recorded in the Patent Register are invalid against persons who have acquired the rights to the patent in good faith.

Art. 66 – Circumstances giving rise to liability

In accordance with the following provisions, the following persons may be held liable under civil and criminal law:

- a. any person who uses a patented invention unlawfully; imitation is also deemed to constitute use ;
- b. any person who refuses to notify the authority concerned of the origin and quantity of products in his possession which are unlawfully manufactured or placed on the market, and to name the recipients and disclose the extent of any distribution to commercial and industrial customers;
- c. any person who removes the patent mark from products or their packaging without authorisation from the proprietor of the patent or the licensee;
- d. any person who abets any of the said offences, participates in them, or aids or facilitates the performance of any of these acts.

Art. 69 – Sale or destruction of products or equipment

¹ In the event of a conviction, the court may order the forfeiture and sale or destruction of the unlawfully manufactured products or equipment, devices and other means that primarily serve their manufacture.

² The net proceeds from the sale shall firstly be used for the payment of the fine, then the payment of the investigation and court costs, and finally for the payment of a final unappealable award of damages to the injured party and to cover their litigation costs; any surplus shall go to the former owner of the goods sold.

³ Even in the event of the dismissal of the action or an acquittal, the court may order the destruction of the equipment, devices and other means intended primarily for the infringement of the patent.

Art. 70 – Publication of the judgment

¹ The court may authorise the successful party to publish the judgment at the expense of the opposing party; the court shall determine the form, extent and timing of the publication.

² In criminal cases (Art. 81–82), publication of the judgment is governed by Article 68 of the Swiss Criminal Code.

Art. 73 – Action for damages

¹ Any person who performs an act referred to in Article 66 either wilfully or through negligence shall be required to pay damages to the injured party according to the provisions of the Code of Obligations.

² [abrogated]

³ An action for damages may only be brought after the patent has been granted; the defendant may, however, be held liable for loss or damage caused from the time when he first obtained knowledge of the content of the patent application, but at the latest from the publication of the application.

Art. 74 – Action for declaratory judgment

Any person demonstrating an interest may bring an action to obtain a declaratory judgment on the existence or non-existence of a circumstance or legal relationship governed by this Act, in particular:

1. that a particular patent is valid;
2. that the defendant has performed an act referred to in Article 66;
3. that the plaintiff has not performed any act referred to in Article 66;
4. that a particular patent is not enforceable against the plaintiff by virtue of a legal provision;
5. that with regard to two particular patents, the requirements of Article 36 for the grant of a licence are or are not fulfilled;
6. that the plaintiff has made the invention, which is the subjectmatter of a particular patent application or patent;
7. that a particular patent, which violates the double patenting prohibition, has become invalid.

Art. 75 – Licensees' right of action

¹ Any person who holds an exclusive licence, irrespective of the registration of the licence in the Register, is entitled to bring an action as specified in Articles 72 or 73 independently, provided this is not expressly excluded by the licence agreement.

² Any licensee may join an action under Article 73 in order to claim their own loss or damages.

Art. 77 – Preliminary measures

¹ Any person requesting preliminary measures may, in particular, request that the court orders:

- a. measures to secure evidence, to preserve the existing state of affairs or to provisionally enforce claims for injunctive relief and remedy;
- b. a precise description to be made:
 1. of the allegedly unlawful processes used
 2. of the allegedly unlawful products manufactured as well as the means used to manufacture them; or

c. the seizure of these objects.

² If a party requests a description to be made, it must provide prima facie evidence that an existing claim has been infringed or an infringement is suspected.

³ If the opposing party claims that a manufacturing or trade secret is involved, the court shall take the necessary measures to safeguard it. It may exclude the applicant party from participating in the procedure for making the description.

⁴ The procedure for making the description, with or without seizure, shall be carried out by a member of the Federal Patent Court, who may call on the assistance of an expert if necessary. It shall be carried out, where necessary, in collaboration with the competent cantonal instances.

⁵ Before the applicant party is notified of the description, the opposing party shall be given the opportunity to comment.

Art. 81 –Patent infringement

¹ Any person who wilfully commits an act specified in Article 66 is, on complaint by the injured party, liable to a custodial sentence not exceeding one year or to a monetary penalty.

² The right to file a complaint shall lapse after six months from the day on which the injured party became aware of the identity of the offender.

³ If the offender acts for commercial gain, he shall be prosecuted *ex officio*. The penalty is a custodial sentence not exceeding five years or a monetary penalty. The custodial sentence shall be combined with a monetary penalty.

2. DESA

Art. 5 - Establishment of a design right and term of protection

¹ A design right is established on entry in the Design Register (the Register).

² Protection is for five years from the filing date.

³ It may be extended for four periods of five years each.

Art. 8 - Scope of protection

The protection of the design right includes designs that have the same essential features and thus produce the same overall impression as a design already registered.

Art. 9 - Effects of the design right

¹ The design right confers on the right holder the right to prohibit others from using the design for commercial purposes. Use includes, in particular, manufacturing, storing, offering, placing on the market, importing, exporting and carrying in transit, as well as possession for any of these purposes.

^{1bis} The right holder may prohibit the import, export and transit of commercially manufactured goods even if this is for private purposes.

² The right holder may also prohibit third parties from participating in, encouraging or facilitating such unlawful use.

Art. 21 - Effect of filing

Filing creates a presumption of novelty and individual character as well as of the entitlement to file it.

Art. 35 - Action for performance

¹ A right holder whose right has been infringed or threatened may request the court:

- a. to prohibit an imminent infringement;
- b. to remedy an existing infringement;
- c. to require the defendant to provide information on the origin and extent of unlawfully manufactured items in his possession and to name the recipients and disclose the extent of any distribution to commercial customers.

² Actions brought under the Code of Obligations¹⁶ for damages, satisfaction and handing over of profits in accordance with the provisions concerning agency without authority remain reserved.

³ An action for performance may be instituted only after the design has been entered in the Register. Claims for damages may be made retroactively from the time at which the defending party obtained knowledge of the content of the application for registration.

⁴ Any person who holds an exclusive licence is entitled to bring a separate action irrespective of the registration of the licence in the Register unless this is expressly excluded in the licence agreement. Any licensees may join an infringement action in order to claim their own damages.

Art. 38 - Preliminary measures

Any person requesting preliminary measures may, in particular, request that the court orders measures to:

- a. secure evidence;
- b. establish the origin of items unlawfully manufactured;
- c. preserve the existing state of affairs;
- d. provisionally enforce claims for injunctive relief and remedy.

Art. 44 - Forfeiture in criminal proceedings

The court may order the forfeiture and sale or destruction of the unlawfully produced items or equipment, devices and other means that primarily serve their manufacture, even in the event of an acquittal.

Art. 48 - Withholding of items

¹ If the Customs Administration, based on an application under Article 47 paragraph 1, has reasonable grounds to suspect that certain items intended to be brought into or taken out of Swiss customs territory have been unlawfully manufactured, then it shall notify both the applicant and the declarant, holder or owner of the items accordingly.

² The Customs Administration shall withhold the items in question for a maximum of ten working days from the time of notification pursuant to paragraph 1, so that the applicant may obtain preliminary measures.

³ Where justified by circumstances, the Customs Administration may withhold the items in question for a maximum of ten additional working days.

3. TMPA

Art. 5 - Establishment of a trade mark right

A trade mark right is established on entry in the Register.

Art. 12 - Consequences of non-use

¹ Where the proprietor has not used the trade mark in relation to the goods or services for which it is claimed for an uninterrupted period of five years following the expiry of the opposition period with no opposition having been filed or upon conclusion of opposition proceedings, he may no longer assert his right to the trade mark, unless there are proper reasons for non-use.

² If use of the trade mark is commenced or resumed after more than five years, the right to the trade mark is restored with effect from the original priority date, unless non-use of the trade mark has been invoked under paragraph 1 prior to its commencement or resumption of use.

³ Any person who invokes non-use of a trade mark is required to substantiate his claim; evidence of use is required to be provided by the proprietor of the trade mark.

Art. 13 - Exclusive right

¹ A trade mark right confers on the proprietor the exclusive right to use the trade mark to identify the goods or services for which it is claimed and to dispose of it.

² The proprietor of a trade mark may prohibit others from using a sign that is excluded from trade mark protection under Article 3 paragraph 1, in particular, from:

- a. affixing the sign to goods or their packaging;
- b. offering goods, placing them on the market or stocking them for such purposes under the sign;
- c. offering or providing services under the sign;
- d. importing, exporting or carrying in transit goods under the sign;
- e. using the sign on business papers, in advertising, or otherwise in the course of trade.

^{2bis} The proprietor of the trade mark may also assert the rights under paragraph 2 letter d if the import, export or transit of commercially manufactured goods is carried out for private purposes.

³ The proprietor of the trade mark may also assert the rights under this Article against authorised users in terms of Article 4.

Art. 34 - Costs

With its decision on the opposition, the IPI shall determine whether and to what extent the costs of the successful party shall be compensated by the unsuccessful party.

Art. 35 - Requirements

The IPI shall cancel a trade mark registration in whole or in part if:

- a. the proprietor requests the cancellation;
- b. the registration has not been renewed;
- c. the registration has been declared null and void in a final court decision;
- d. the protected designation of origin or the protected geographical indication on which the geographical mark is based is cancelled;
- e. a request for cancellation is approved.

Art. 42 – [Representation]

Any person who is party to an administrative procedure under this Act but is not domiciled or does not have a registered office in Switzerland must designate an address for service in Switzerland unless international law or the competent foreign body permits the authority to serve documents directly in the state concerned.

² The IPI is entitled to declare to the competent foreign body that direct service is permitted in Switzerland in intellectual property matters provided Switzerland is granted reciprocal rights.

Art. 55 - Action for performance

¹ Any person whose right to a trade mark or an indication of source is infringed or threatened may request the court:

- a. to prohibit an imminent infringement;
- b. to remedy an existing infringement;
- c. to require the defendant to provide information on the origin and quantity of items in his possession that unlawfully bear the trade mark or the indication of source and to name the recipients and disclose the extent of any distribution to commercial and industrial customers.

² Actions brought under the Code of Obligations⁶⁸ for damages, satisfaction and handing over of profits in accordance with the provisions concerning agency without authority remain reserved.

^{2bis} An action for performance may be instituted only after the entry of the trade mark in the Register. Claims for damages may be made retroactively from the time at which the defendant obtained knowledge of the content of the application for registration.

³ The use of a guarantee or collective mark contrary to the applicable regulations also constitutes an infringement of a trade mark right.

⁴ Any person who holds an exclusive licence is entitled to bring a separate action irrespective of the registration of the licence in the Register unless this is expressly excluded in the licence agreement. Any licensees may join an infringement action in order to claim for their own damages.

Art. 56 - Right to bring action by associations, consumer organisations and authorities

¹ The following are also authorised to bring actions for a declaratory judgment (Art. 52) and actions for performance (Art. 55 para. 1) concerning the protection of indications of source:

- a. professional and trade associations authorised by their statutes to safeguard the economic interests of their members;
- b. organisations of national or regional importance dedicated by their statutes to the protection of consumers;
- c. the IPI, to the extent that designations such as «Switzerland», «Swiss» or other designations or symbols that indicate the geographical territory of the Swiss Confederation within the meaning of Article 48 paragraph 4 are used;
- d. the canton concerned, to the extent that its name or other designations or symbols referring to its geographical territory are used.

² Associations and organisations under paragraph 1 letters a and b are entitled to bring actions under Article 52 with respect to a guarantee mark (Art. 21 para. 1) or collective mark (Art. 22). ³ The cantons shall designate the competent authority for actions under paragraph 1 letter d.

Art. 59 - Preliminary measures

¹ Any person requesting preliminary measures may, in particular, request that the court orders measures to:

- a. secure evidence;
- b. establish the origin of items unlawfully bearing a trade mark or indication of source;
- c. preserve the existing state of affairs;
- d. provisionally enforce claims for injunctive relief and remedy.

Art. 61 - Infringement of a trade mark right

¹ On complaint of the injured party, any person who wilfully infringes the trade mark right of another is liable to a custodial sentence not exceeding one year or a monetary penalty if he:

- a. appropriates, counterfeits or imitates the trade mark of the other person;
- b. places goods on the market or provides services, or offers, imports, exports, carries in transit or advertises such goods or services under the appropriated, counterfeited or imitated trade mark.

² On complaint of the injured party, any person who refuses to provide information on the origin or quantity of the items in his possession that unlawfully bear the trade mark and to name the recipients and disclose the extent of distribution to commercial and industrial customers is also liable to the same penalties.

³ If the offender acts for commercial gain, he shall be prosecuted ex officio. The penalty is a custodial sentence not exceeding five years or a monetary penalty. The custodial sentence shall be combined with a monetary penalty.

Art. 70 - Notification of suspicious consignments

¹ The Customs Administration is authorised to notify the proprietor of the trade mark, the person entitled to use an indication of source or a party entitled to institute proceedings under Article 56 if there is any suspicion of the imminent transport of goods that unlawfully bear a trade mark or an indication of source into or out of the customs territory of Switzerland.

² In such cases, the Customs Administration is authorised to withhold the goods for three working days, in order that the proprietor of the trade mark, the person entitled to use the indication of source or a professional or trade association entitled to institute proceedings under Article 56 may file an application under Article 71.

Art. 71 - Application for assistance

¹ If the proprietor of the trade mark, the licensee entitled to institute proceedings, the person entitled to use an indication of source or a party entitled to institute proceedings under Article 56 has clear indications of the imminent transport of goods that unlawfully bear a trade mark or an

indication of source into or out of the customs territory of Switzerland, he or she may request the Customs Administration in writing to refuse the release of the goods.

² The applicant must provide all the information available to him that is necessary for the Customs Administration's decision; this includes a precise description of the goods.

³ The Customs Administration shall make the final decision on the application. It may charge a fee to cover the administrative costs.

Art. 72b - Safeguarding of manufacturing and trade secrets

¹ At the same time as notification is made in accordance with Article 72 paragraph 1, the Customs Administration shall inform the declarant, holder or owner of the goods of the possible handover of samples or the opportunity to inspect them in accordance with Article 72a paragraph 1.

² The declarant, holder or owner may request to be present at the inspection in order to safeguard his manufacturing or trade secrets.

³ The Customs Administration may refuse to hand over samples on reasoned request from the declarant, holder or owner

Art. 72e - Evidence

Before the destruction of the goods, the Customs Administration shall remove samples and hold them in safekeeping as evidence in any actions for damages.

4. COPA

Art. 6 - Definition

The author is the natural person who has created the work.

Art. 7 - Joint authorship

¹ Where two or more persons have contributed as authors to the creation of a work, copyright belongs to all such persons jointly.

² Unless they have agreed otherwise, they may only use the work with the consent of all authors; consent may not be withheld for reasons contrary to the principles of good faith.

³ Each joint author may independently bring an action for infringement, but may only ask for relief for the benefit of all.

⁴ Where the individual contributions may be separated and there is no agreement to the contrary, each joint author may use his own contribution independently provided such use does not impair the exploitation of the joint work.

Art. 8 - Presumption of authorship

¹ Unless proven otherwise, the author is the person whose name, pseudonym or distinctive sign appears on the copies or the publication of the work.

² As long as the author is not named or remains unknown in the case of a pseudonym or a distinctive sign, the person who is the editor of the work may exercise the copyright. Where such person is also not named, the person who has published the work may exercise the copyright.

Art. 9 - Recognition of authorship

¹ The author has the exclusive right to his own work and the right to recognition of his authorship.

² The author has the exclusive right to decide whether, when, how and under what author's designation his own work is published for the first time.

³ A work is considered to be published when it has been made available for the first time by the author, or with his consent, to a large number of persons not constituting a private circle as defined in Article 19 paragraph 1 letter a.

Art. 11 - Integrity of the work

¹ The author has the exclusive right to decide:

- a. whether, when and how the work may be altered;
- b. whether, when and how the work may be used to create a derivative work or may be included in a collected work.

² Even where a third party is authorised by contract or law to alter the work or to use it to create a derivative work, the author may oppose any distortion of the work that is a violation of his personal rights.

³ It is permissible to use existing works for the creation of parodies or other comparable variations on the work.

Art. 19 - Private use

¹ Published works may be used for private use. Private use means:

- a. any personal use of a work or use within a circle of persons closely connected to each other, such as relatives or friends;
- b. any use of a work by a teacher and his class for educational purposes;
- c. the copying of a work in enterprises, public administrations, institutions, commissions and similar bodies for internal information or documentation.

² Persons entitled to make copies of a work for private use may also have them made by third parties subject to paragraph 3; libraries, other public institutions and businesses that make copying apparatus available to their users are also deemed third parties within the meaning of this paragraph.

³ The following are not permitted outside the private sphere defined in paragraph 1 letter a:

- a. the complete or substantial copying of a work obtainable commercially;
- b. the copying of works of art;
- c. the copying of musical scores;
- d. the fixation of recitations, performances or presentations of a work on blank media.

^{3bis} Copies which are made by accessing works that are lawfully made available are neither subject to the restriction of private use under this Article nor are they included in the claims for remuneration under Article 20.

⁴ This Article does not apply to computer programs.

Art. 39d – [Obligation of Providers of Internet Hosting Services which store Information entered by Users]

¹ The provider of an internet hosting service which stores information entered by users is required to prevent a work or other protected subject matter from being unlawfully remade available to third parties through the use of its services, if the following requirements are fulfilled:

- a. The work or other protected subject matter has already been unlawfully made available to third parties via the same internet hosting service.
- b. The provider has been notified of the infringement.
- c. The internet hosting service has created a particular risk of such infringements, specifically due to a technical mode of operation or an economic orientation which encourages infringement.

² The provider must take the technical and economic measures reasonably expected of them, taking into account the risk of such infringements.

Art. 61 - Action for declaratory judgment

Any person who can demonstrate a legal interest may bring an action for a declaratory judgment on whether or not a right or legal relationship exists under this Act.

Art. 62 - Actions for performance

¹ Any person whose copyright or related right is infringed or threatened may request the court:

- a. to prohibit an imminent infringement;
- b. to remedy an existing infringement;
- c. to require the defendant to provide information on the origin and quantity of items in his possession that have been unlawfully manufactured or placed on the market and to name the recipients and disclose the extent of any distribution to commercial and industrial customers.

^{1bis} A threat to copyright or related rights is in particular present in acts mentioned in Article 39a paragraphs 1 and 3 and Article 39c paragraphs 1 and 3 and in the case of breach of the obligations under Article 39d.

² Actions brought under the Code of Obligations for damages, satisfaction and handing over of profits in accordance with the provisions concerning agency without authority remain reserved.

³ Any person who holds an exclusive licence is entitled to bring a separate action unless this is expressly excluded in the licence agreement. Any licensees may join an infringement action in order to claim for their own losses.

Art. 65 - Preliminary measures

¹ Any person requesting preliminary measures may, in particular, request that the court orders measures to:

- a. secure evidence;
- b. establish the origin of items unlawfully manufactured or placed on the market;
- c. preserve the existing state of affairs; or
- d. provisionally enforce claims for injunctive relief and remedy infringement.

5. CC**Art. 2 – Scope and limits of legal relationships / acting in good faith**

¹ Every person must act in good faith in the exercise of his or her rights and in the performance of his or her obligations.

² The manifest abuse of a right is not protected by law.

Art. 8 – Rules of evidence / burden of proof

Unless the law provides otherwise, the burden of proving the existence of an alleged fact shall rest on the person who derives rights from that fact.

Art. 9 – Proof by public document

¹ Public registers and public deeds constitute full proof of the facts evidenced by them, unless their content is shown to be incorrect.

² Such proof of incorrectness does not require to be in any particular form.

6. CPC

Art. 5 - Court of sole cantonal instance

¹ The cantonal law designates the court that has jurisdiction as sole cantonal instance for:

- a. disputes in connection with intellectual property rights, including disputes concerning the nullity, ownership, licensing, transfer and violation of such rights;
- b. cartel law disputes;
- c. disputes on the use of a business name;
- d. disputes under the Unfair Competition Act of 19 December 1986 if the amount in dispute exceeds 30,000 francs or if the Confederation exercises its right to file an action;
- e. disputes under the Nuclear Energy Public Liability Act of 18 March 1983;
- f. claims against the Confederation;
- g. the designation of a special comptroller by virtue of Article 697b of the Code of Obligations (CO);
- h. disputes under the Collective Investment Schemes Act of 23 June 2006, the Stock Exchange Act of 24 March 1995 and the Financial Market Infrastructure Act of 19 June 2015.
- i. disputes under the Coat of Arms Protection Act of 21 June 2013, the Federal Act of 25 March 1954 on the Protection of the Emblem and Name of the Red Cross and the Federal Act of 15 December 1961 on the Protection of the Names and Emblems of the United Nations Organization and other Intergovernmental Organisations.

² This court is also competent to order interim measures before an action is pending.

Art. 13 - Interim measures

Unless the law provides otherwise, the following court has mandatory jurisdiction to order interim measures:

- a. the court that has jurisdiction to decide the main action; or
- b. the court at the place where the measure is to be enforced.

Art. 55 - Principles of production of evidence and of ex-officio investigation

¹ The parties must present the court with the facts in support of their case and submit the related evidence.

² Statutory provisions relating to the ex-officio establishment of facts and taking of evidence are reserved.

Art. 106 - General principles of allocation

¹ The costs are charged to the unsuccessful party. If an action is not admitted by the court or if it is withdrawn, the plaintiff is deemed to be the unsuccessful party; in case of acceptance of the claim it is the defendant.

² If no party entirely is successful, the costs are allocated in accordance with the outcome of the case.

³ If three or more persons are participating in the proceedings as principal parties or accessory parties, the court shall determine each party's share of the costs. It may hold the parties jointly and severally liable.

Art. 107 - Discretionary allocation

¹ The court may diverge from the general principles of allocation and allocate the costs at its own discretion:

- a. if an action has been upheld in principle but not the full amount claimed, and if the amount of the award was determined at the court's discretion or if the claim was difficult to quantify;
- b. if a party was caused to litigate in good faith;
- c. in family law proceedings;
- d. in proceedings relating to a registered partnership;
- e. if the proceedings are dismissed as groundless and the law does not provide otherwise;
- f. if there are other extraordinary circumstances that would result in an allocation according to the outcome of the case being inequitable.

² Court costs that are not attributable to any party or third party may be charged to the canton if equitable.

Art. 108 - Unnecessary costs

Unnecessary costs are charged to the party that caused them.

Art. 160 - Duty to cooperate

¹ Parties and third parties have a duty to cooperate in the taking of evidence. In particular, they have the duty:

- a. to make a truthful deposition as a party or a witness;
- b. to produce the physical records, with the exception of documents forming correspondence between a party or a third party and a lawyer who is entitled to act as a professional representative, or with a patent attorney as defined in Article 2 of the Patent Attorney Act of 20 March 2009
- c. to allow an examination of their person or property by an expert.

² The court has free discretion to decide on the duty of minors to cooperate. It shall take account of the child's welfare.

³ Third parties that are under a duty to cooperate are entitled to reasonable compensation.

Art. 164 - Unjustified refusal

If a party refuses to cooperate without valid reasons, the court shall take this into account when appraising the evidence.

Art. 168 – Admissible evidence

¹ The following evidence is admissible:

- a. testimony;
- b. physical records;
- c. inspection;
- d. expert opinion;
- e. written statements;
- f. questioning and statements of the parties.

² The provisions relating to matters of children in family law proceedings are reserved.

Art. 169 – Testimony / Subject matter

Any person who is not a party may testify on matters that he or she has directly witnessed.

Art. 170 –Summons

¹ Witnesses are summoned by the court.

² The court may allow the parties to bring along witnesses without a summons.

³ A witness may be questioned at his or her place of residence. The parties must be notified thereof in advance.

Art. 171 - Form of statement

¹ A witness shall be cautioned as to the requirement to tell the truth before being questioned; if at least 14 years of age, the witness shall also be advised of the criminal consequences of perjury (Art. 307 SCC55).

² The court shall question each witness individually with no other witnesses present; the foregoing is subject to the provisions on confrontation.

³ The witness must testify without notes; the court may authorise the use of written documents.

⁴ The court shall exclude witnesses from the remainder of the hearing as long as they have not been released from being a witness.

Art. 172 - Content of statement

The court shall ask witnesses:

- a. to state their particulars;
- b. to describe their personal relationship with the parties and other circumstances that may be relevant to the credibility of their testimony;
- c. to state the facts of the case as they have observed them.

Art. 174 - Confrontation

Witnesses may be confronted with each other or with the parties.

Art. 175 - Testimony of an expert witness

If a witness has special expertise, the court may also ask him or her questions about his or her assessment of the facts of the case.

Art. 177 – Definition [of physical records]

The following are considered to be physical records: papers, drawings, plans, photos, films, audio recordings, electronic files and the like that are suitable to prove legally significant facts.

Art. 183 – Expert opinion / Principles

¹ At the request of a party or ex officio, the court may obtain an opinion from one or more experts. The court must hear the parties first.

² The same grounds apply for the recusal of experts as apply to judges and judicial officers.

³ If the court relies on the special expertise of one of its members, it must inform the parties so that they may comment.

Art. 187 – Submission of the opinion

¹ The court may order that the expert submits his or her opinion in writing or presents it orally. It may also summon the expert to the hearing in order to explain his or her written opinion.

² An orally presented opinion must be placed on record in accordance with Article 176.

³ If two or more experts have been mandated, each one shall submit a separate opinion, unless the court decides otherwise.

⁴ The court shall give the parties the opportunity to ask for explanations or to put additional questions.

Art. 189 - Arbitrator's opinion

¹ The parties may agree to obtain an arbitrator's opinion on the matters in dispute.

² Article 17 paragraph 2 governs the form of the agreement.

³ The court is bound by the arbitrator's opinion with regard to the facts established therein provided:

- a. the parties are free to dispose of the legal relationship;
- b. no grounds for recusal existed against the expert arbitrator; and
- c. the opinion has been stated in an impartial manner and is not manifestly incorrect.

Art. 191 - Examination of the parties

¹ The court may question one or both parties on the relevant facts of the case.

² Before the examination, the parties shall be cautioned that they must tell the truth and advised that if they wilfully lie, they may be liable to a disciplinary fine not exceeding 2,000 francs or, in the event of repeated lying, not exceeding 5,000 francs.

Art. 192 - Giving evidence

¹ The court may ex officio order one or both parties to give evidence subject to criminal penalties for failure to do so.

² Before giving evidence, the parties shall be cautioned that they must tell the truth and advised of the criminal consequences of perjury (Art. 306 SCC).

Art. 254 - Evidence

¹ Evidence must be provided in the form of physical records.

² Other evidence is admissible in the following cases:

- a. if the taking of evidence does not substantially delay the proceedings;
- b. if required by the purpose of the proceedings; or
- c. if the court must establish the facts *ex officio*.

Art. 255 - Principle of ex-officio investigation

The court establishes the facts *ex officio*:

- a. in matters of bankruptcy and composition;
- b. in non-contentious matters.

Art. 261 Interim measures / Principle

¹ The court shall order the interim measures required provided the applicant shows credibly that:

- a. a right to which he or she is entitled has been violated or a violation is anticipated; and
- b. the violation threatens to cause not easily reparable harm to the applicant.

² The court may refrain from ordering interim measures if the opposing party provides appropriate security.

Art. 262 – Interim measures / Subject matter

The court may order any interim measure suitable to prevent the imminent harm, in particular:

- a. an injunction;
- b. an order to remedy an unlawful situation;
- c. an order to a register authority or to a third party;
- d. performance in kind;
- e. the payment of a sum of money in the cases provided by the law.

Art. 264 - Security and damages

¹ The court may make the interim measure conditional on the payment of security by the applicant if it is anticipated that the measures may cause loss or damage to the opposing party.

² The applicant is liable for any loss or damage caused by unjustified interim measures. If the applicant proves, however, that he or she applied for the measures in good faith, the court may reduce the damages or entirely release the applicant from liability.

³ The security must be released once it is established that no action for damages will be filed; in case of uncertainty, the court shall set a deadline for filing the action.

Art. 270 – [protective letter]

¹ Any person who has reason to believe that an ex-parte interim measure, an attachment under Articles 271–281 DEBA or any other measure against him or her will be applied for without prior hearing, may set out his or her position in advance by filing a protective letter.

² The opposing party shall be served with the protective letter only if he or she initiates the relevant proceedings.

³ The protective letter becomes ineffective six months after it is filed.

Art. 343 - Obligation to act, refrain from acting or to tolerate

¹ If the decision provides for an obligation to act, refrain from acting or to tolerate something, the enforcement court may:

- a. issue a threat of criminal penalty under Article 292 SCC;
- b. impose a disciplinary fine not exceeding 5,000 francs;
- c. impose a disciplinary fine not exceeding 1,000 francs for each day of noncompliance;
- d. order a compulsory measure such as taking away a movable item or vacating immovable property; or
- e. order performance by a third party.

² The unsuccessful party and third parties must provide the required information and tolerate the required searches.

³ The person entrusted with enforcement may request the assistance of the competent authorities.

Art. 345 - Damages and conversion into money

¹ The prevailing party may demand:

- a. damages if the unsuccessful party does not follow the orders of the court;
- b. conversion of the performance due into the payment of money.

² The enforcement court shall determine the relevant amount.

Art. 373 - General rules of procedure

¹ The parties may regulate the arbitration procedure:

- a. themselves;
- b. by referring to a set of arbitration rules;

c. according to a procedural law of their choice.

² If the parties have not regulated the procedure, it is determined by the arbitral tribunal.

³ The chairperson of the arbitral tribunal may decide on certain procedural questions if he or she is authorised to do so by the parties or by the other members of the tribunal.

⁴ The arbitral tribunal must guarantee the equal treatment of the parties and their right to be heard in adversarial proceedings.

⁵ Each party may act through a representative.

⁶ A complaint must be made immediately about any violation of the procedural rules, otherwise it may not subsequently be claimed that the rules were violated.

Art. 374 - Interim measures, security and damages

¹ The ordinary court or, unless the parties have otherwise agreed, the arbitral tribunal may at the request of a party order interim measures, including measures to protect the evidence.

² If the person concerned does not comply with the measure ordered by the arbitral tribunal, the tribunal or a party may apply to the ordinary court for it to issue the necessary orders; if the application is made by a party, it requires the consent of the arbitral tribunal.

³ The arbitral tribunal or the ordinary court may make the interim measures conditional on the payment of security if it is anticipated that the measures may cause harm to the other party.

⁴ The applicant is liable for the harm caused by unjustified interim measures. If he or she proves, however, that the application for the measures was made in good faith, the arbitral tribunal or the ordinary court may reduce the damages or relieve the applicant entirely from liability. The aggrieved party may assert his or her claim in the pending arbitration.

⁵ The security must be released once it is established that no claim for damages will be filed; where there is uncertainty, the court shall set a deadline for filing the action.

Art. 387 - Effect of the award

Once notice of the award has been given to the parties, it has the effect of a legally binding and enforceable judicial decision.

7. CO

Art. 41 – Obligations in tort / general principles / conditions of liability

¹ Any person who unlawfully causes damage to another, whether wilfully or negligently, is obliged to provide compensation.

² A person who wilfully causes damage to another in an immoral manner is likewise obliged to provide compensation.

Art. 42 - Obligations in tort / general principles / determining the damage

¹ A person claiming damages must prove that damage occurred.

² Where the exact value of the damage cannot be quantified, the court shall estimate the value at its discretion in the light of the normal course of events and the steps taken by the person suffering damage.

³ The costs of treating animals kept as pets rather than for investment or commercial purposes may be claimed within appropriate limits as a loss even if they exceed the value of the animal.

Art. 43 - Obligations in tort / general principles / determining compensation

¹ The court determines the form and extent of the compensation provided for damage incurred, with due regard to the circumstances and the degree of culpability.

^{1bis} Where an animal kept as a pet rather than for investment or commercial purposes has been injured or killed, the court may take appropriate account of its sentimental value to its owner or his dependants.

² Where damages are awarded in the form of periodic payments, the debtor must at the same time post security.

Art. 50 – Multiple liable parties / in tort

¹ Where two or more persons have together caused damage, whether as instigator, perpetrator or accomplice, they are jointly and severally liable to the person suffering damage.

² The court determines at its discretion whether and to what extent they have right of recourse against each other.

³ Abettors are liable in damages only to the extent that they received a share in the gains or caused damage due to their involvement.

Art. 423 – Business conducted in the agent’s interests

¹ Where agency activities were not carried out with the best interests of the principal in mind, he is nonetheless entitled to appropriate any resulting benefits.

² The principal is obliged to compensate the agent and release him from obligations assumed only to the extent the principal is enriched.

Art. 957a – Accounting

¹ Accounting forms the basis for financial reporting. It records the transactions and circumstances that are required to present the asset, financing and earnings position of the undertaking (the economic position).

² It follows the recognised accounting principles. Particular note must be taken of the following:

1. the complete, truthful and systematic recording of transactions and circumstances;
2. documentary proof for individual accounting procedures;
3. clarity;
4. fitness for purpose given the form and size of the undertaking;
5. verifiability.

³ An accounting voucher is any written record on paper or in electronic or comparable form that is required to be able to verify the business transaction or the circumstances behind an accounting entry.

⁴ Accounting is carried out in the national currency or in the currency required for business operations.

⁵ It is carried out in one of the official Swiss languages or in English. It may be carried out in writing, electronically or in a comparable manner.

8. SCC

Art. 10 – Felonies and misdemeanours / definition

¹ In this Code, felonies are distinguished from misdemeanours according to the severity of the penalties that the offence carries.

² Felonies are offences that carry a custodial sentence of more than three years.

³ Misdemeanours are offences that carry a custodial sentence not exceeding three years or a monetary penalty.

Art. 11 – Commission by omission

¹ A felony or misdemeanour may also be committed by a failure to comply with a duty to act.

² A person fails to comply with a duty to act if he does not prevent a legal interest protected under criminal law from being exposed to danger or from being harmed even though, due to his legal position, he has a duty to do so, in particular on the basis of:

- a. the law;
- b. a contract;
- c. a risk-bearing community entered into voluntarily; or
- d. the creation of a risk.

³ Any person who fails to comply with a duty to act is liable to prosecution only if, on the basis of the elements of the offence concerned, his conduct is, in the circumstances, as culpable as it would have been had he actively committed the offence.

⁴ The court may reduce the sentence.

Art. 12 – Intention and negligence / definitions

¹ Unless the law expressly provides otherwise, a person is only liable to prosecution for a felony or misdemeanour if he commits it wilfully.

² A person commits a felony or misdemeanour wilfully if he carries out the act in the knowledge of what he is doing and in accordance with his will. A person acts wilfully as soon as he regards the realisation of the act as being possible and accepts this.

³ A person commits a felony or misdemeanour through negligence if he fails to consider or disregards the consequences of his conduct due to a culpable lack of care. A lack of care is culpable if the person fails to exercise the care that is incumbent on him in the circumstances and commensurate with his personal capabilities.

Art. 30 – criminal complaint / right to file a complaint

¹ If an act is liable to prosecution only if a complaint is filed, any person who suffers harm due to the act may request that the person responsible be prosecuted.

² If the person suffering harm does not have the legal capacity to act, his legal representative is entitled to file a complaint. If he is under guardianship or subject to a general deputyship, the adult protection authority is also entitled to file a complaint.

³ If the person suffering harm is a minor or if he is subject to a general deputyship, he is entitled to file a complaint if he is capable of judgement.

⁴ If the person suffering harm dies without filing the criminal complaint or without expressly waiving his right to file the criminal complaint, his next of kin are entitled to file the complaint.

⁵ If an entitled person expressly waives his right to file a complaint, his waiver is final.

Art. 31 – Time limit for filing a complaint

The right to file a complaint expires after three months. The period begins on the day that the person entitled to file a complaint discovers the identity of suspect.

Art. 34 – Monetary penalty / assessment

¹ Unless the law provides otherwise, a monetary penalty amounts to a minimum of three and a maximum of 180 daily penalty units. The court decides on the number according to the culpability of the offender.

² A daily penalty unit normally amounts to a minimum of 30 and a maximum of 3000 francs. By way of exception, if the offender's personal or financial circumstances so require, the value of the daily penalty unit may be reduced to 10 francs. The court decides on the value of the daily penalty unit according to the personal and financial circumstances of the offender at the time of conviction, and in particular according to his income and capital, living expenses, any maintenance or support obligations and the minimum subsistence level.

³ The authorities of the Confederation, the cantons and the communes shall provide the information required to determine the daily penalty unit.

⁴ The number and value of the daily penalty units must be stated in the judgment.

Art. 40 – Custodial sentence / Term

¹ The minimum term of a custodial sentence is three days; a shorter custodial sentence in lieu of an unpaid monetary penalty (Art. 36) or fine (Art. 106) is reserved.

² The maximum term of a custodial sentence is 20 years. Where the law expressly provides, the custodial sentence is for life

Art. 41 – Custodial sentence instead of a monetary penalty

¹ The court may impose a custodial sentence instead of a monetary penalty if:

- a. a custodial sentence appears appropriate in order to prevent the offender from committing further felonies or misdemeanours; or
- b. it is anticipated that it will not be possible to enforce a monetary penalty.

² The court must explain why it has decided to impose a custodial sentence.

³ The right is reserved to impose a custodial sentence instead of an unpaid monetary penalty (Art. 36).

Art. 42 – Suspended sentences

¹ The court shall normally suspend the execution of a monetary penalty or a custodial sentence of no more than two years unless an unsuspended sentence appears to be necessary in order to prevent the offender from committing further felonies or misdemeanours.

² If the offender received a suspended or unsuspended custodial sentence of more than six months within the five years prior to the offence, the sentence may only be suspended where the circumstances are especially favourable.

³ The suspension of the execution of a sentence may also be refused if the offender has failed to make a reasonable effort to compensate for any loss or damage he may have caused.

⁴ A suspended sentence may be combined with a fine in accordance with Article 106.

Art. 48 – Mitigation of the sentence / grounds

The court shall reduce the sentence if:

- a. the offender acted:
 1. for honourable motives,
 2. while in serious distress,
 3. while of the view that he was under serious threat,
 4. at the behest of a person whom he was duty bound to obey or on whom he was dependent;
- b. the offender was seriously provoked by the conduct of the person suffering injury;
- c. the offender acted in a state of extreme emotion that was excusable in the circumstances or while under serious psychological stress;
- d. the offender has shown genuine remorse, and in particular has made reparation for the injury, damage or loss caused, insofar as this may reasonably be expected of him;
- e. the need for punishment has been substantially reduced due to the time that has elapsed since the offence and the offender has been of good conduct in this period.

Art. 102 – Corporate criminal liability / liability under criminal law

¹ If a felony or misdemeanour is committed in an undertaking in the exercise of commercial activities in accordance with the objects of the undertaking and if it is not possible to attribute this act to any specific natural person due to the inadequate organisation of the undertaking, then the felony or misdemeanour is attributed to the undertaking. In such cases, the undertaking is liable to a fine not exceeding 5 million francs.

² If the offence committed falls under Articles 260ter, 260quinquies, 305bis, 322ter, 322quinquies, 322septies paragraph 1 or 322octies, the undertaking is penalised irrespective of the criminal liability of any natural persons, provided the undertaking has failed to take all the reasonable organisational measures that are required in order to prevent such an offence.

³ The court assesses the fine in particular in accordance with the seriousness of the offence, the seriousness of the organisational inadequacies and of the loss or damage caused, and based on the economic ability of the undertaking to pay the fine.

⁴ Undertakings within the meaning of this title are:

- a. any legal entity under private law;
- b. any legal entity under public law with exception of local authorities;
- c. companies;
- d. sole proprietorships.

Art. 106 – Contraventions / fines

¹ Unless the law provides otherwise, the maximum amount of a fine is 10,000 francs.

² In its judgment, the court shall impose an alternative custodial sentence of at least one day and a maximum of three months for the event that the fine is wilfully not paid.

³ The court determines the fine and the alternative custodial sentence based on the offender's circumstances so that the offender receives the sentence that is commensurate with his culpable conduct.

⁴ On retrospective payment of the fine, the offender is released from the alternative custodial sentence.

⁵ Articles 35 and 36 paragraphs 2–5 apply by analogy to execution and conversion.

Art. 292 – Contempt official orders

Any person who fails to comply with an official order that has been issued to him by a competent authority or public official under the threat of the criminal penalty for non-compliance in terms of this Article is liable to a fine.

9. CRIMPC

Art. 126 – Civil claims / Decision

¹ The court decides on pending civil claims in the event that it: a. convicts the accused; b. acquits the accused and the court is in a position to make a decision.

² The civil claim shall be referred for civil proceedings if:

- a. the criminal proceedings are abandoned or concluded by means of the summary penalty order procedure;
- b. the private claimant has failed to justify or quantify the claim sufficiently;
- c. the private claimant has failed to lodge security in respect of the claim;
- d. the accused has been acquitted but the court is not in a position to make a decision.

³ If a full assessment of the civil claim would cause unreasonable expense and inconvenience, the court may make a decision in principle on the civil claim and refer it for civil proceedings. If possible, the court shall rule on minor claims itself.

⁴ In cases involving the victim, the court may firstly decide solely on guilt and the penalty; thereafter the director of proceedings shall, following a further hearing of the parties, rule as a judge sitting alone on the civil claim, irrespective of its amount.

Art. 139 – Taking evidence and Admissibility of Evidence / Principles

¹ In order to establish the truth, the criminal justice authorities shall use all the legally admissible evidence that is relevant in accordance with the latest scientific findings and experience.

² No evidence shall be led on matters that are irrelevant, obvious, known to the criminal justice authority or already adequately proven in law.

Art. 147 – Rights to participate in the taking of evidence / General provisions

¹ Parties have the right to be present when the public prosecutor and the courts are taking evidence and to put questions to persons who have been questioned. The presence of the defence lawyer at examination hearings conducted by the police is governed by Article 159.

² Persons exercising a right to participate do not have the right to request that the taking of evidence be postponed.

³ A party or his or her legal agent may request that evidence be taken again if the legal agent or the party without a legal agent is prevented from participating for good cause. Evidence need not be taken again if it would involve unreasonable trouble and expense and the right of the party to be heard, and in particular the right to ask questions, can be taken into account in another way.

⁴ Evidence obtained in violation of this Article is inadmissible against a party who was not present when it was taken.

Art. 304 - Form of the criminal complaint

¹ A criminal complaint must be submitted in writing or made orally and noted down in an official record. It must be made to the police, the public prosecutor or the authority responsible for prosecuting contraventions.

² Where a person waives the right to file a complaint or withdraws a complaint, the same form is required.

Art. 313 - Taking evidence for civil claims

¹ The public prosecutor shall gather the evidence required to assess the civil claim provided the proceedings are not unduly extended or delayed thereby.

² It may make the gathering of evidence that primarily serves to further the civil claim conditional on an advance payment by the private claimant to cover costs.

Art. 318 - Conclusion of the Investigation

¹ If the public prosecutor regards the investigation as completed, it shall issue a summary penalty order or give written notice to those parties whose address is known of the imminent conclusion of the investigation and inform them whether it is intended to bring charges or abandon the proceedings. At the same time, it shall allow the parties a period within which to submit requests for further evidence to be taken.

² It may reject requests for further evidence to be taken only if the evidence involves matters that are irrelevant, obvious, known to the criminal justice authority or already satisfactorily proven in legal terms. The decision shall be issued in writing and with a brief statement of the grounds. Requests for further evidence to be taken that are refused may be made again in the main proceedings.

³ Notice in accordance with paragraph 1 and decisions in accordance with paragraph 2 are non-contestable.