Switzerland

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1. What are the most effective ways for a European patent holder whose rights cover your jurisdiction to enforce its rights in your jurisdiction?

A patent holder can send a warning letter and seek an out-of-court settlement with an alleged infringer. A successful warning letter is the most effective way to enforce rights, since it is subject to no formalities and costs little. If no solution can be found in this way, or through arbitration or mediation (to which the alleged infringer must agree), the patent holder has no option other than to enforce its patent through a court action. No warning letter need be served before commencing a patent suit. Patent rights are enforceable through cease and desist orders which, if granted by the court, require a third party to stop using – in particular manufacturing, importing, advertising, offering or selling – an infringing product or method. In addition, financial compensation is available to the patent holder. The cease and desist order can be requested in the form of a preliminary injunction; this is often advisable in view of the time it takes to obtain a final decision in patent matters.

2. What level of expertise can a patent owner expect from the courts in your jurisdiction?

At present, Switzerland has no specialist patent courts. However, the Federal Patent Court of First Instance will start work in January 2012. The new court will have technical judges with expertise in patent law. Hitherto, the patent law prescribes that each canton shall designate a competent court. Of the 26 courts so defined, four are commercial courts located in the cantons of Argovia, Berne, St Gaul and Zurich. These courts attract the majority of patent cases and therefore have experience in patent matters. Expertise is brought to these courts by the commercial judges, who include scientists, engineers and patent attorneys. In addition, an external expert is regularly appointed by the court. The other designated courts are ordinary first instance civil courts. The Federal Court, which acts as the court of second instance, has experience in patent law, but no technical judges sit on the bench.

3. How do your country's courts deal with validity and infringement? Are they handled together or separately?

The courts are competent to deal with validity and infringement. Thus, validity and infringement are dealt with simultaneously by the same court, although this is not mandatory. Depending on the domicile of the parties (ie, national or foreign) and the order in which the proceedings have been started, different courts may be competent and become active. Even if different courts are competent and seized, the last involved court may transfer the case to the first court. Once the Federal Patent Court of First Instance has started work, it is competent to hear both issues.

4. To what extent is cross-examination of witnesses permitted during proceedings?

In January 2011 the Federal Civil Procedure Code came into force. The code provides that witnesses are primarily examined by the court, but the court may also allow the parties to pose questions directly.

5. What role can and do expert witnesses play in proceedings?

Patent proceedings are predominantly based on written evidence, but any type of evidence that is allowed in civil proceedings is also allowed in patent proceedings. With regard

to expert opinions provided by the parties, the Federal Civil Procedure Code does not recognise such opinions as evidence, so they are regarded as party allegations only. However, the parties may be able to submit expert opinions by citing the expert as an expert witness under the new code. Expert opinions provided by court-appointed experts are still potential evidence.

6. Is pre-trial discovery permitted? If so, to what extent?

There is no pre-trial discovery. However, the Federal Civil Procedure Code sets down unified general rules for provisional measures in IP cases and, in particular, a new means of securing evidence in patent cases, similar to the procedure known as "*saisie contrefaçon*" in France. The "*saisie helvétique*" is intended not to provide evidence, but rather to secure evidence in cases where *prima facie* evidence of an infringement exists. In such cases a member of the court, in some cases accompanied by an expert or person skilled in the relevant field, may visit the production facilities of an alleged possible infringer and make a detailed description of the method applied, the products made and the means of production. The claimant may be excluded from the *saisie* and receives no documents before the opposing party has had the opportunity to file comments.

7. Do the courts in your jurisdiction apply a doctrine of equivalents?

The doctrine of equivalents has been accepted for many years and is provided for in the Patents Act. The act explicitly distinguishes between infringement by counterfeit and infringement by imitation. Imitation — supported by long-established case law — encompasses embodiments using equivalent means.

8. Are certain patent rights (eg, those relating to business methods, software and biotechnology) more difficult to enforce than others?

All types of patent right granted by the European Patent Office are enforceable in Switzerland. However, the evidential requirements may present problems for the enforcement of certain types of patent right. Since the burden of proof rests with the plaintiff, method patents may present problems if the use of the method cannot be ascertained by the product itself or if no *prima facie* evidence of infringement can be provided to lead to a *saisie helvétique* (see Question 6) or a reversal of the burden of proof. On the other hand, the complexity of software-related or biotech patents and the infringing products may present problems for the patentee and the courts. In mid-2008 an amended Swiss patent law entered into force, setting out more restrictive regulations for Swiss national applications in the field of biotech and genetic engineering than the European Patent Convention (EPC). Whether these differences will cause problems for the enforcement of European patents is controversial and relevant court decisions are not yet available.

9. How far are courts bound by previous decisions in cases that have covered similar issues?

Courts are not bound by the opinions and decisions of other courts at the same level, but lower courts are usually bound by the decisions of higher courts. In patent matters the courts are usually willing to consider the opinions of other courts, provided that no contradictory opinions exist.

10. Are there any restrictions on who parties can select to represent them in a dispute?

Representation is limited to attorneys holding the Swiss attorney at law qualification or a recognised equivalent attorney at law qualification of an EU or European Free Trade Agreement member state. Assistance and co-representation by a Swiss patent attorney are recommended in most cases. In cases that will be dealt with by the Federal Patent Court of First Instance and that are restricted to the question of patent nullity, Swiss patent attorneys may be appointed as the sole representative.

11. Are the courts willing to consider the reasoning of courts in other jurisdictions that have dealt with similar cases?

To a certain extent, the Swiss cantonal courts are willing to consider the reasoning of foreign courts of similar expertise and legal background. In particular, the four commercial courts are often willing to consider and discuss German court practice.

12. How easy is it for defendants to delay proceedings and how can plaintiffs prevent them from doing so?

Once the case is pending before the court, the possibilities for delaying the case are limited since the court handles proceedings according to a strict timeframe. In order to delay, the defendant can seek the maximum number of time extensions, while the plaintiff may try to accelerate the proceedings by responding to a court order immediately. At the beginning of the proceedings, the defendant may try to

convince the court that the plaintiff's demand for relief is not sufficiently concise and that this question must be decided first before going into the merits of the case; however, these tactics fail in most cases since the courts are reluctant to dismiss a case on these grounds alone. In patent cases the time taken by the court-appointed expert to deliver his or her opinion is a relevant factor. If the defendant contests the validity of the patent, this will delay the case considerably, since the court often concentrates on this question first and the expert will initially give an opinion on validity alone. Only if validity is ascertained will the expert consider the question of infringement. The forthcoming Federal Patent Court is expected to implement swifter proceedings.

13. Is it possible to obtain preliminary injunctions? If so, under what circumstances?

Preliminary injunctions are readily available, provided that the plaintiff can provide *prima facie* evidence of:

- The infringement.
- The validity of the patent.
- A detriment that cannot easily be remedied (eg, by the payment of damages).

In addition, the plaintiff must show that it has not delayed the case. As a rule of thumb, a request for a preliminary injunction must be filed within three to six months of the infringement becoming known to the patent holder. The term varies depending on the details of the case and the practice of the court. Preliminary injunctions are sought by filing a request that includes a demand for relief and reasoned statements and proof of the infringement. The court will then ask the defendant for its response. *Ex parte* injunctions are the exception to the rule and are available only in case of imminent danger (eg, during a trade fair).

The court will usually appoint an expert in preliminary injunction cases as well, which may lead to considerable delays in the issue of the decision. Due to the broad variety of scientifically and technically skilled judges, the Federal Patent Court might abstain from appointing court experts, resulting in speedier proceedings.

14. How much should a litigant plan to pay to take a case through to a decision at first instance?

The costs for a first instance decision amount to around Sfr80,000 to Sfr200,000 per party, and the costs of the winning party are at least partially imposed on the losing party. Thus, the defeated party must bear costs of around Sfr160,000 to Sfr450,000, comprising the parties' costs, the costs of the court expert and court costs.

15. Is it possible for the successful party in a case to obtain costs from the losing party?

Yes. The court will calculate the successful party's attorney costs and the court costs based on an official fee schedule that depends on the complexity of the case, the number of writs and the value in litigation. The successful party's patent attorney's costs and expert's costs are reimbursed based on actual costs.

16. What are the typical remedies granted to a successful plaintiff by the courts?

It is usual to request a cease and desist order and reimbursement of damages or lost profits. If a cease and desist order is granted, the defendant must stop using the infringing product or method. In addition, financial compensation is available to the patent holder, which may include compensation for actual damage inflicted.

17. How are damages awards calculated? Is it possible to obtain punitive damages?

The plaintiff may claim its own damages, infringer's profits or the amount of the infringer's unjust enrichment. Previously, claims were often made for damages calculated on the basis of usual royalties. However, according to a recent Federal Court decision, payment of an amount equal to a licence fee under the title of damages may be demanded only if the plaintiff can prove that in the absence of the infringement, the claimed licence fee income would have been earned. This and other types of damages are usually very difficult to prove. Accordingly, the plaintiff must now provide evidence of the profits made by the infringer in order to claim restitution of the infringer's profits. Punitive damages are not available.

18. How common is it for courts to grant permanent injunctions to successful plaintiffs and under what circumstances will they do this?

Unless the plaintiff and the defendant come to an agreement before a final decision, the court will grant a permanent injunction. In specific circumstances the court may abstain from an unlimited permanent injunction. For example, in pharmaceutical cases, if the complete unavailability of the infringing product would pose a health risk to patients already treated with the product, limited availability may be provided for such patients.

19. How long does it take to obtain a decision at first instance and is it possible to expedite this process?
Since the entry into force of the new Federal Civil Procedure Code, the time taken to obtain a first instance decision should depend less on the court than on the complexity of the case. An expert opinion is usually required; in less complicated cases some courts – particularly the commercial courts and, once it is up and running, the Federal Patent Court – may decide directly. The average duration of first instance proceedings is 18 months to three years and it is not possible to expedite the process. A shorter duration is hoped for with the Federal Patent Court and the Federal Civil Procedure Code.

20. Under what circumstances will the losing party in a first instance case be granted the right to appeal? How long does an appeal typically take?
In main proceedings an appeal to the Federal Court is possible. The Federal Court has full jurisdiction in appeal proceedings. The appeal procedure is usually swift, often taking less than one year.

21. Are parties obliged to undertake any type of mediation/arbitration prior to bringing a case before the courts? Is ADR a realistic alternative to litigation?
There is no obligation to undertake any mediation or arbitration before bringing a case before the courts. However, provided that both parties agree, mediation or arbitration may speed up the case.

22. In broad terms, how pro-patentee are the courts in your jurisdiction?
As Switzerland has 26 first instance courts, there is a broad spectrum, from pro-patentee to contra-patentee courts. The commercial courts dealing with the majority of patent cases will protect the patentees' rights, provided that there is sufficient evidence.

23. Has your jurisdiction signed up to the London Agreement on Translations? If not, how likely is it to do so?
Switzerland has signed up to the London Agreement. Two of the languages of the EPC are official Swiss languages, so no translation of the claims need be filed.

24. Are there any other issues relating to the enforcement system in your country that you would like to raise?
The patent enforcement system in Switzerland has been unified by the enactment of the Federal Civil Procedure Code, and will be further enhanced by the establishment of the Federal Patent Court of First Instance, which is expected to begin work in 2012. *iam*

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