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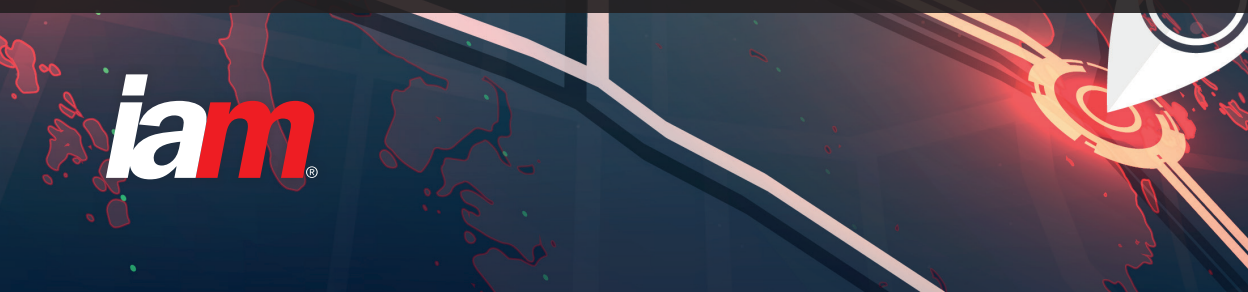

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By Andrea Carreira, Christian Hilti and **Demian Stauber**, Rentsch Partner Ltd

Q: How can patent owners best enforce their rights in your jurisdiction?

In case of an existing or imminent infringement, the patent owner may ask for injunctive relief (Article 72 of the Patent Act). For any infringement that has taken place, the patent owner may claim damages (Article 73).

The patent owner may also seek remedy of the unlawful situation, which includes that 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 (Articles 69 and 72).

The patent owner may also request that the infringer disclose the origin and quantity of products in their possession that are unlawfully manufactured or placed on the market, and to name the recipients and the extent of any distribution to customers (Article 66(b)). In addition, the patent owner may request information regarding orders and sales, as well as turnover and profit made through the infringing activities.

The patent owner may also bring an action to obtain a declaratory judgment on the existence or non-existence of an IP right (Article 74).

According to Article 77 of the Patent Act, the patent owner may request preliminary measures, in particular, that:

- the court orders measures to secure evidence, preserve the existing state of affairs or provisionally enforce claims for injunctive relief and remedy;
- a precise description of the allegedly unlawful processes, products or means to manufacture is made; or
- the seizure of the unlawful product is made.

The Federal Patent Court is the competent body to hear patent cases regarding infringement.

If there is evidence that potentially infringing goods are to be brought into or taken out of Swiss customs territory, a patent owner may request, in writing, that the Customs Administration withhold such goods so that interim measures can be requested (Article 86b).

Q: Are mediation and arbitration realistic alternatives to litigation?

All patent disputes relating to validity and infringement are arbitrable if there is an arbitration agreement in place. Arbitration is,

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Christian Hilti is a litigator, who focuses on patents, trademarks, designs, copyright and unfair competition law. In addition to his broad experience in IP rights, he also works in contract law and arbitration. After studying law, he gained his first experience in IP law at the Swiss Federal Institute of Intellectual Property. He earned his PhD at the University of Zürich in 1986, was admitted to the bar in 1988 and earned his master's at the UC Berkeley School of Law in 1990.

Mr Hilti worked in a US law firm and founded a law firm in Zurich specialising in intellectual property. In 2009 he joined Rentsch Partner. Since 2011, he has been a non-permanent judge at the Swiss Federal Patent Court.

however, rarely used in these cases and typically arises only in arbitration proceedings regarding patent licensing issues.

Mediation is not very common. Instead, during litigation proceedings, the Federal Patent Court initiates a type of mediation in the form of settlement discussions. After a first exchange of briefs, a preparatory hearing is held at which a confidential preliminary assessment is presented (orally) by the court. Thereafter, the parties are invited to enter settlement discussions. A settlement after the preparatory hearing is achieved in 50% of cases.

Q: Who hears patent cases – for example, individual judges, a panel of judges, a mix of judges and technical experts, judges and juries?

Patent cases are heard by a body of both legally and technically trained judges at the Federal Patent Court as the first instance. A case is decided by a body of three judges or (under specific circumstances) by five judges. Preliminary injunctions are also usually decided by a panel of three judges, because in most cases understanding the technical issues is of particular significance. Whenever it is only legal questions that are at stake, preliminary injunctions can be decided by a single judge.

There is no jury system in Switzerland.

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Demian Stauber is active as an attorney at law in the fields of intellectual property, IT and contract law. He litigates disputes in patent and other technology-related matters and counsels innovative small and medium-sized entities in drafting and the negotiation of contracts, such as development, supply, licence and software agreements. Mr Stauber's main areas of interest include engineering and computer sciences, in particular the Internet of Things, e-mobility and blockchain.

"Swiss law provides some options to obtain documents or information from the other party before initiating infringement proceedings"

Q: What level of expertise can litigants expect from courts?
The court has a high level of expertise as the body of judges includes technically trained judges, from all areas of technology, which are all qualified European patent attorneys.

Q: Are validity and infringement dealt with together in proceedings?
Both validity and infringement are dealt with by the Federal Patent Court.

The patent owner (plaintiff) initiates proceedings by filing a statement of claim indicating which remedies are sought against the potential infringer (defendant). The defendant responds with a statement of defence and may file a counterclaim or raise an objection asserting invalidity of the patent.

Q: Who may represent parties engaged in a dispute?
Parties engaged in proceedings in front of the Federal Patent Court, theoretically, need no legal representation. However, in practice, they are usually represented by a qualified and admitted patent attorney and an attorney at law experienced in patent matters (Article 29). Professional representation, if any, in infringement proceedings must be by a qualified attorney at law, but a qualified and admitted patent attorney may still present the technical aspects.

Q: To what extent is forum selection possible in your jurisdiction?
The Federal Patent Court has exclusive jurisdiction to hear patent disputes. There is no possibility for forum selection within Switzerland. For disputes relating to entitlement, assignment or licensing matters, both the Federal Patent Court and cantonal courts are competent. However, cantonal courts are rarely chosen for patent-related entitlement or contractual matters.

Q: To what extent is pre-trial discovery permitted?
Pre-trial discovery is not permitted in Switzerland. However, Swiss law provides some options to obtain documents or information from the other party before initiating infringement proceedings. The court can order, as a preliminary measure, means to secure evidence or preserve

the existing state of affairs, if such may be irrevocably at risk. The court can also order a description of the processes and means to manufacture or a seizure of a sample of the allegedly unlawful product, if the requesting party can provide *prima facie* evidence for an actual or suspected infringement, and if some particular piece of information is still missing to establish infringement. The procedure is usually conducted by a member of the Federal Patent Court. The court will take the necessary measures to safeguard any manufacturing or trade secret involved and it may exclude the requesting party from such information (Article 77). The court may take evidence at any time if the requesting party can credibly show that evidence is at risk or that it has a legitimate interest. Such 'legitimate interest' may also consist of assessing the chances of success in an infringement action (Article 158 of the Civil Procedure Code).

Q: To what extent is evidence written and oral at proceedings?

The proceedings are typically based on written evidence submitted together with the parties' briefs. Along with documents of the state of the art, this may include party-appointed expert opinions, which are not, however, considered evidence. In view of the technical competence of the technically trained judges, court-appointed experts, while possible, are not common. Oral testimony of witnesses or experts is also possible but only very rarely takes place.

Q: What role, if any, can expert witnesses play?

Written opinions of party-appointed experts are commonly submitted. While such expert opinions may be helpful in technically complex cases, they are viewed by the court as being mere party allegations and not evidence.

Q: Is the doctrine of equivalents applied by courts in your jurisdiction and, if so, what form does it take?

According to Article 66a of the Patent Act, a patent infringement is committed by "any person who uses a patented invention unlawfully; imitation is also deemed to constitute use" and therefore also includes equivalent infringement ('imitation'). According to current case law, the Federal Patent Court and the Federal Supreme Court assess equivalent infringement based on the three questions of equal effect, discoverability and equal value.

The first question of equal effect is to be answered in the affirmative, for an infringing product or process, in which one or more features of a claim are not literally implemented, but are replaced by other features which, taking into account the technical problem solved by the invention, perform the same function as the claimed features. The Federal Supreme Court has specified that "the modified embodiment must achieve all the effects which, according to the understanding of the person skilled in the art, are to be achieved by the individual technical features of the patent claim, both individually and in combination".

The second question of discoverability is to be answered in the affirmative if for an infringing product or process having one or more features replaced, the equal effect is obvious to the skilled person taking into account the teaching of the patent. According to Swiss practice, the assessment of discoverability should not be confused with the assessment of inventive step: the question is not whether the skilled person was able to find the replacing feature (starting from the prior art), but whether it is obvious in the light of the patent's teaching that the replacing features have equal effect.

The third question of equal value is also to be answered in the affirmative, if, giving due consideration to the claim wording in view of the description, the skilled person would have taken the replacing feature into account as being an equivalent solution. As confirmed by case law, the question is, whether the skilled third party, on objective reading of the patent specification, concludes that the applicant has formulated the claim so narrowly that it does not cover a solution for which the first two questions can be answered affirmatively.

Q: Are there problems in enforcing certain types of patent relating to, for example, biotechnology, business methods or software?

All of the technically trained judges are qualified European patent attorneys and their assessments are, in general, in line with the established practice of the EPO and Boards of Appeal.

The Swiss Federal Patent Court also strives to be in line with EU patent practice.

"The Federal Supreme Court has specified that 'the modified embodiment must achieve all the effects which, according to the understanding of the person skilled in the art, are to be achieved by the individual technical features of the patent claim, both individually and in combination'"

Q: To what extent are courts obliged to consider previous cases that have covered issues similar to those pertaining to a dispute?

The Federal Patent Court is not formally obliged to strictly follow precedents of the Federal Supreme Court that have covered similar issues. However, Federal Supreme Court decisions on such issues must be carefully considered. If a Federal Patent Court decision deviates from a Federal Supreme Court decision, it must be very carefully reasoned or else the Federal Patent Court decision risks being overturned by the Federal Supreme Court.

Q: To what extent are courts willing to consider the way in which the same or similar cases have been dealt with in other jurisdictions? Are decisions from some jurisdictions more persuasive than those from others?

The Federal Patent Court requests parties to provide information on all foreign judgments and parallel court proceedings, as well as EPO decisions that relate to the same patent. It considers the reasoning of foreign courts, in particular from other European courts regarding the same European patent, notably Germany, the United Kingdom and the Netherlands, but forms its decision independently therefrom.

Q: What realistic options are available to defendants seeking to delay a case? How might a plaintiff counter these?

A defendant can request extensions of deadlines for submitting its briefs. Extensions are generally limited to a two-week period unless there are specific circumstances or the case involves a highly complex technology. Further extensions can be granted only with the other party's consent.

With regard to staying proceedings, commencing validity proceedings is not sufficient reason to stay pending infringement proceedings; and neither are pending EPO opposition proceedings. However, the Federal Patent Court informs the EPO of the ongoing proceedings in Switzerland and requests acceleration.

Q: Under what circumstances, if any, will a court consider granting a preliminary injunction? How often does this happen?

Interim measures (eg, preliminary injunction) are granted if the patent owner can credibly show a *prima facie* case of (actual or imminent) infringement and that it causes irreparable harm (if the injunction is not granted) (Article 261 of the Civil Procedure Code; and Article 77 of the Patent Act). A request should be submitted in a timely manner, namely according to the current case law and at the latest within 14 months of learning of the infringement. If these conditions are fulfilled, preliminary injunctions are granted regularly.

In cases of special urgency, and in particular where there is a risk that the enforcement of the measure will be belated and therefore useless, the court may order the interim measure immediately and *ex parte* (Article 265 of the Civil Procedure Code), which must be subsequently confirmed by *inter partes* proceedings. *Ex parte* preliminary injunctions are granted less frequently.

Q: What is the realistic timescale to get a decision at first instance from the initiation of proceedings?

It is the Federal Patent Court's intention to reach a decision within approximately 18 months. To achieve this goal, deadlines for filing any submissions are typically set between four and six weeks. If a case involves a highly complex technology, a decision may not be obtained for up to two years.

"A successful plaintiff can claim compensation, such as damages, the surrender of an infringer's profits and a reasonable usage fee"

Q: How much should a litigant budget for in order to take a case through to a decision at first instance?
Court costs are calculated based on the value of the dispute. When initiating proceedings, the plaintiff must make an advance payment in the range of between Sfr30,000 and Sfr60,000, which they will recover on winning the case. Additional costs include attorneys' fees and patent attorneys' fees (if not in-house), which are typically calculated on a time basis. The court fees and the adverse party's attorneys' fees are determined by the Federal Patent Court on the basis of a statutory tariff.

With a value in dispute of Sfr1 million in a 'standard' case, the losing party should expect costs of approximately Sfr300,000.

Q: To what extent are the winning party's costs recoverable from the losing party?
The winning party can generally recover around 50% to 75% of its legal costs and disbursements (including patent attorneys' fees) from the losing party.

Q: What remedies are available to a successful plaintiff?
A successful plaintiff can claim compensation, such as damages, the surrender of an infringer's profits and a reasonable usage fee. They may also request that the infringer disclose the origin of the products in their possession, as well as information regarding orders, sales and profit made through the infringing activity.

Q: How are damages awards calculated?
The plaintiff can request compensation for the monetary loss (including lost profit) due to the infringement. However, in normal cases, it is difficult for the plaintiff to substantiate and prove their lost profit. Therefore, in most cases, plaintiffs opt for one of two alternatives. The plaintiff can request the surrender of:

- the profits that the infringer made with the sale of infringing products; or
- any unjust enrichment that the infringer obtained through the infringing activities ('reasonable royalty').

Most cases are settled once the infringement is affirmed. Therefore, there is little case law on the calculation of the damages.

Q: Under what circumstances will courts grant permanent injunctions?
Permanent injunctions are granted unconditionally and automatically if the plaintiff can show actual or imminent infringement. There are no further requirements to obtain a permanent injunction against an infringer.

Q: Does the losing party at first instance have an automatic right of appeal?
The losing party has a right to appeal to the Federal Supreme Court. The grounds, however, are limited to points of law. A review of the facts is only possible on extremely limited grounds, such as an arbitrary finding of facts or violation of procedural rights. In appeals against decisions on preliminary measures, the grounds of appeal are even narrower.

Q: How long does it typically take for the appellate decision to be handed down?
Appeal proceedings in front of the Federal Supreme Court typically take eight to 10 months.

Q: Is it possible to take cases beyond the second instance?
No. The Federal Supreme Court is the second and last instance.

Q: To what extent do the courts in your jurisdiction have a reputation for being pro-patentee?
The Federal Patent Court tends to be more pro-patentee than not. The high standard of European patents is recognised by technically trained judges that are European patent attorneys.

Q: Are there other fora outside the court system in which it is possible to assert patents in your jurisdiction? If so, under what circumstances might it be appropriate to use them?
Theoretically, criminal prosecution proceedings can be initiated against the infringer in certain circumstances. However, this happens only very rarely.

Q: Are there any other issues relating to the enforcement system in your country that you would like to raise?
Not applicable. *iam*

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