

Newsletter No.

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Swiss IP News we will provide you with updates on new decisions, the relevant legislative process and other trends in the fields of intellectual property and unfair competition law from a Swiss perspective.



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Strengthened position of trademark owners in the fight against counterfeiting – and more to come

A recent decision of the Federal Supreme Court on private imports of counterfeited watches significantly strengthens the position of trademark owners in combating counterfeits. The same may be the case for the outcome of a consultation opened by the Federal Council regarding customs procedure:

Private importers of trademark infringing products are fully liable

In a late 2019 decision the Federal Supreme Court (4A_379/2019) ended a doctrinal dispute on the available remedies for a trademark owner in case of a trademark infringement based on the import, export or transit of goods for private purposes. The question was whether a trademark owner has the right to bring an action under Art. 55 para. 1 and 2 of the Trademark Act in case of an infringement of Art. 13 para. 2 bis of the Trademark Act. The court's answer is yes.

Art. 13 para. 2 bis of the Trademark Act was adopted as a measure to combat counterfeiting and piracy as part of the revision of the Patent Act adopted in 2007. Although the quantities involved are usually small in individual cases, capillary imports as a whole are quite significant. For this reason, the exclusive right of the trademark owner enshrined in Art. 13 of the Trademark Act was extended to commercially manufactured goods which are imported, exported or carried out for private purposes.

In its decision, the Federal Supreme Court held that Art. 55 of the Trademark Act generally presupposes an infringement of the right to the trademark and thus protects the trademark owner's rights as defined in Art. 13 of the Trademark Act which - at least from a systematic legal point of view - includes the prohibition of capillary imports pursuant to para. 2 bis. The Defendant, who had

imported eleven counterfeit watches for mere private purposes, argued inter alia that he had no knowledge that the imported watches were counterfeit and that he could therefore not be ordered to cease and desist from further imports and to provide certain information about the source of the infringing items. The Federal Supreme Court rejected this position and argued that actions under Art. 55 para. 1 of the Trademark Act in principle do not presuppose fault. The importer acting for private purposes can therefore also be held liable without subjectively accusable conduct (however, an action under Art. 55 para 2 of the Trademark Act aiming at damages, satisfaction and/or handing over of profits still presupposes fault).

The created clarity is good news for trademark owners as it strengthens their position in the fight against counterfeiting. It particularly secures their possibility to request important information from private importers, which may allow them to trace the source of the illegal products.

Simplified customs procedure

On 15 January 2020, the Federal Council opened the consultation on the introduction of a simplified customs procedure promising greater efficiency in the fight against counterfeiting. The new procedure aims at a reduction of the administrative effort to destroy fake products in small consignments for both the Federal Customs Administration and the trademark

owner. In future, trademark owners shall only be informed that their consignment has been withheld if the purchaser objects to the destruction (which, as experience shows, is seldomly the case). Otherwise, the fake products will be destroyed without further ado. As a result, the simplified procedure would often save the authorities and the trademark owners various procedural steps. The consultation procedure will run until 30 April 2020.