

NEWSLETTER

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SCHELLENBERG WITTMER

Attorneys-at-Law

Recent Changes in Intellectual Property Laws

On 1 July 2008, a number of changes to Swiss intellectual property law entered into force. Swiss copyright law was amended as a result of Switzerland's ratification of two World Intellectual Property Organization (WIPO) treaties and implementation of the standards set forth therein to cover recent technological developments. The amendments to Swiss patent law focused on the adequate protection of biotechnological inventions. The revision of Swiss patent law was accompanied by additional revisions, including to trademark and design law and to international private law. These changes to Swiss intellectual property law have generally improved intellectual property protection and the fight against piracy in Switzerland. This newsletter focuses on the most important changes to Swiss intellectual property law.

1 Revision of Copyright Law

1.1 Introduction

The previously existing copyright law focused only on analog technology. An adaptation of copyright law to new technological developments was therefore urgently needed. The core element of the revision of the Federal Act on Copyright and Neighboring Rights ("CRA") thus rested on the adjustment of copyright protection to the digital environment.

The revision of the CRA was based upon two World Intellectual Property Organization (WIPO) treaties: The WIPO Copyright Treaty (WCT) dated 20 December 1996 and the WIPO Performances and Phonograms Treaty (WPPT) also dated 20 December 1996 (hereinafter jointly the "WIPO Treaties"). The WIPO Treaties entered into force in Switzerland on 1 July 2008.

1.2 Overview of the Content of the WIPO Treaties

The purpose of the WIPO Treaties was to secure and enforce copyrights and neighboring rights in the realm of digital technology. In order to reach this goal, two measures in particular were taken. The first measure involved the grant of exclusive rights to make works and protected performances available via on-demand services (such as the Internet). The second measure involved the obligation of contracting States to provide adequate legal protection and remedies against the circumvention of effective technical measures (such as copy protection). In addition, the WIPO Treaties require the contracting States to forbid the counterfeiting or suppression of electronic rights management information.

1.3 Selected Aspects of the Changes

1.3.1 On-Demand Rights for Performers, Producers and Broadcasting Organizations

The exclusive right to make a work publicly available online has, until now, only been granted to authors (Art. 10(2)(c) CRA). This right is newly expanded to include performers, producers and broadcasting organizations (Art. 33, Art. 36 and Art. 37 CRA).

1.3.2 Protection of Technical Measures Preventing the Unauthorized Use of Protected Works

The main improvement in copyright protection is the newly introduced prohibition to circumvent technical measures such as copy protection on CDs and DVDs or access control devices for Internet services (Art. 39a(1) CRA). Only technologies or devices that are effective and designed to prevent or curtail the unauthorized use of protected works, however, are protected under the law (Art. 39a(2) CRA).



The circumvention of technical measures has no legal consequences if it exclusively serves the purpose of a legally permitted use (Art. 39a(4) CRA). This means that circumventive software can continue to be used to make copies for (permitted) personal use. The legislators intended thereby that legally-permitted personal use would not be frustrated through technical measures.

The anti-circumvention provision also covers the manufacture and marketing of circumvention software, as well as offers for services intended to enable the circumvention of protection devices (Art. 39a(3) CRA).

1.3.3 Protection of Electronic Information

The new Art. 39c CRA protects electronic rights management information (such as bar codes or ISAN codes) that identifies the works and the owners of copyrights and neighboring rights. Such information may not be removed or altered (Art. 39c(1) CRA).

1.3.4 Temporary Reproductions

For technical reasons, temporary copies of works are created during the electronic use of the works in digital form and during the transmission of such works over the Internet. Art. 24a CRA now clarifies that temporary reproductions of an ephemeral (filing on a proxy server) or ancillary (browsing or caching) nature are, in principle, permitted, as long as they do not have their own economic significance.

2 Revision of Patent Law

2.1 Generally

The main purpose of the revision of the Federal Patent Act ("PatA"), which entered into force on 1 July 2008, is to secure adequate protection for biotechnological inventions. The revision also brought about specific changes in other areas, such as the exclusive licensee's standing to sue and the appropriate jurisdiction for infringement actions.

In the context of revising the PatA, Swiss legislators implemented a World Trade Organization ("WTO") decision to improve the availability of pharmaceutical products in developing countries.

In addition, the WIPO Patent Law Treaty of 1 June 2000 finally came into effect in Switzerland on 1 July 2008.

2.2 Selected Aspects of the Changes

2.2.1 Boundaries of Patentability

The new Articles 1a and 1b PatA lay down the boundaries of patentability with regard to the human body and gene sequences.

Art. 1a PatA states that the human body in all stages of its development, including the embryo, is not patentable. Patent protection is, in principle, possible for a part of the human body that is produced through a technical process (Art. 1a(2) PatA).

A naturally occurring sequence or portion of a sequence of a gene as such is not patentable either, while a sequence deriving from a naturally occurring gene sequence or partial sequence is, in principle, patentable, as long as it is produced by a technical process and its function is specifically described in the patent (Art. 1b PatA).

Art. 2(1) PatA excludes from patentability inventions (such as processes for the cloning of human beings), whose exploitation would be contrary to human dignity, violate the dignity of living organisms or offend public policy or good morals in any other way.

2.2.2 Scope of Patent Protection relating to Biological Materials

In revising Swiss patent law, the scope of patent protection for biotechnological inventions was essentially determined in accordance with the EU Biotechnology Directive.

The new provisions take into account the fact that biological material can be reproduced. The protection conferred by a patent on a process that enables biological materials to be reproduced also extends to resulting products which possess the same characteristics as the original material (Art. 8a PatA). Pursuant to Art. 8c PatA, the scope of patent protection for gene sequences is limited to the sequence segments relevant to the function specifically described in the patent. This provision restricts overly broad and speculative patent claims.

2.2.3 Research and "Bolar" Exemption

The revised law provides that all scientific research aimed at gaining further knowledge of the subject matter of the invention is permissible without requiring a license from the patentee (research exemption; Art. 9(1)(b) PatA).

Furthermore, actions required to obtain regulatory approval for a pharmaceutical product in Switzerland or abroad are outside the scope of patent protection (so-called "Bolar" exemption; Art. 9(1)(c) PatA). This facilitates the market access of generic drugs immediately after patent expiration because regulatory approval may be sought during the life of the patent. Patented products may also be produced, imported and stored to the extent necessary to obtain regulatory approval.

2.2.4 Publication of Patent Applications and Opposition Procedure

Art. 58a PatA now provides that Swiss patent applications have to be published within 18 months of the filing or priority date.

Art. 59c PatA introduces for the first time a limited opposition procedure related to biotechnological inventions: Within nine months of the publication of an entry in the patent register, any person may give to the Federal Institute of Intellectual Property notice of opposition to a patent granted by the Institute. The opposition may only be filed on the ground that the subject matter of the patent is excluded from patentability under Arts. 1a, 1b or 2 PatA (e.g. due to a violation of public policy).

2.2.5 Exclusive Licensee's Standing to Sue

An exclusive licensee has an interest similar to a patentee's in defending himself against patent infringement. Art. 75(1) PatA takes this interest into account by granting an exclusive licensee an independent standing to sue if such right was not explicitly excluded in the license agreement and regardless of whether the license was recorded in the register.

In the context of the revision of the Patent Act, an exclusive licensee's standing to sue was also introduced in trademark and copyright law. The Federal Act on the Protection of Designs already contained a corresponding provision granting an exclusive licensee standing to sue.

2.2.6 WIPO Patent Law Treaty of 1 June 2000

The Patent Law Treaty harmonizes certain formal procedures related to patent prosecution. This harmonization helps users of the patent systems save costs and also makes it easier to obtain patent protection abroad.

2.2.7 Improved Availability of Pharmaceutical Products for Developing Countries

Following a WTO decision to improve the availability of pharmaceutical products in developing countries, Swiss legislators revised the Patent Act as follows: prior to the revision, it was possible to obtain a compulsory license to supply the Swiss market with pharmaceutical products. It was not permissible, however, to export patented products that were produced in Switzerland under a compulsory license. The revised Patent Act allows compulsory licenses for the production of pharmaceutical products as well as the later export of such products to developing countries (Art. 40d PatA).

3 Revision of Trademark and Design Law

An important amendment to the Federal Trademark Protection Act ("TA") and to the Federal Act on Protection of Designs

("DesA") extended the exclusive rights to commercially produced goods that are imported, exported or transited just for private, non-commercial use (Art. 13(2)bis TA and Art. 9(1)bis DesA).

These new provisions aim to prevent counterfeit goods from entering the Swiss market and from being exported from Switzerland into other countries. Consequently, counterfeit goods found in the luggage of private individuals may now be seized by the Swiss custom authorities. The import of counterfeit goods for private use is still not punishable, however.

4 Intensified Fight against Counterfeiting and Piracy

The legal remedies against counterfeiting and piracy have been strengthened and modernized in all intellectual property statutes. The protection is no longer limited to import and export, but currently also extends to goods in transit. The assistance of the custom authorities has now also been regulated in the Patent Act and has been harmonized throughout Swiss intellectual property law. Penalties for commercial counterfeiting and piracy have been significantly increased and have also been harmonized.

5 Revision of Private International Law

In the course of the revision of the Patent Act, certain provisions of the Federal Act on Private International Law ("PILA") were also amended. Specifically, actions concerning the infringement of intellectual property rights may now be brought not only before the courts of the defendant's domicile, but also before the courts where the infringing act was committed or had its effects, and, in connection with claims originating from the operation of a business establishment, before the courts at the seat of such business establishment (Art. 109(2) PILA).

6 Final Remarks

The revision of the copyright law and the ratification of the WIPO Treaties enhance copyright protection in Switzerland in the digital field and grant balanced protection to the art community, while at the same time satisfying the requirements of the information society. The revision of the patent law provides, among other things, adequate protection of biotechnological inventions and, in general, enhances the attractiveness of Switzerland as a place for research and development. To fight piracy and counterfeiting, the revised trademark law now extends a trademark owner's exclusive rights to actions related to private use. All intellectual property laws now grant an exclusive licensee standing to sue and also regulate the custom authorities' assistance.



Contacts

The content of this Newsletter does not constitute legal or tax advice and may not be relied upon as such. Should you seek advice with regard to your specific circumstances, please contact your Schellenberg Wittmer liaison or any of the following persons:

| In Geneva:

YVES JEANRENAUD
yves.jeanrenaud@swlegal.ch

JEAN JACQUES AH CHOON
jean-jacques.ahchoon@swlegal.ch

| In Zurich:

ANDREA MONDINI
andrea.mondini@swlegal.ch

PHILIPP GROZ
philipp.groz@swlegal.ch

This Newsletter is available on our website www.swlegal.ch in English, German and French.

15bis, rue des Alpes
P.O. Box 2088
CH-1211 Geneva 1
Tel. +41 (0) 22 707 8000
Fax +41 (0) 22 707 8001

Löwenstrasse 19
P.O. Box 1876
CH-8021 Zurich
Tel. +41 (0) 44 215 5252
Fax +41 (0) 44 215 5200

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