

France

Investigative seizures and preliminary injunctions: a winning team

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When faced with infringement, most patent holders would like to obtain an effective injunction as fast as possible – preferably the next day. Most jurisdictions provide for equitable relief to forestall infringement, including France (Article L615-3 of the IP Code). However, one of the difficult issues in patent infringement actions is adducing the proper evidence of infringement. French practice gives patent holders a powerful tool in this respect: the investigative infringement seizure (Article L615-5).

This unique combination of legal tools gives patent owners and their licensees the possibility of obtaining a quick and efficient provisional decision enjoining infringing competitors.

Investigative infringement seizure

Proving infringement is a two-fold process. A rights holder must prove that:

- the claimed features are reproduced; and
- an act of infringement, such as manufacturing, importing or selling infringing products, is being committed.

In order to obtain this evidence, French law provides that on an *ex parte* petition to the Paris *Tribunal de Grande Instance*, the patentee may have an investigative seizure conducted by a sworn officer accompanied by experts, such as a patent attorney. The seizure consists of either a detailed inventory, with or without taking specimens/samples, or physical seizure of the allegedly infringing products or processes, as well as any related documents. Furthermore, for evidentiary purposes, the

court may order the physical seizure of equipment or instruments used for the manufacture or distribution of the products or for carrying out the allegedly infringing processes. The court may require the posting of a bond before seizure can go ahead. Patent litigation must be filed within one month from the seizure operation.

In practice, the client, its patent attorney and its lawyer must agree on what evidence is required to prove the alleged infringement and where the evidence is likely to be located. Based on this information, a request is drafted and presented to the court. Evidence that the patent belongs to the petitioner and that it is in force is required in order to have an order issued. Recently, the Paris *Tribunal de Grande Instance* has been requesting the petitioner to bring some preliminary or tentative evidence showing that the patent is likely to be infringed. So far, the threshold for the required proof is rather low – for example, showing the judge a couple of web pages illustrating the goods alleged to infringe should suffice.

The order enables a sworn officer accompanied by the petitioner's patent attorney and, as required, a photographer, police officer, locksmith and information systems expert to enter the premises of the alleged infringers or any other place specified in the order to conduct searches with the aim of discovering, for example, the structure/composition of the infringing goods and information as to the number of goods sold during the statutory bar period of three years before the operation.

Examples of investigative infringement seizure

Two examples illustrate the efficiency of the

French investigative infringement seizure operation.

In the first case, the patent was directed to a process and tooling for conforming sheets of glass. The sworn officer and patent attorney, accompanied by a photographer and the police, were authorised to enter the factory where the articles were being manufactured. By way of the order, the factory manager had to permit them access to the manufacturing site. The allegedly infringing tooling was then witnessed and described in writing by the sworn officer with the help of the patent attorney, and was also photographed. Similarly, the manufacturing process was also witnessed and described. Again, photographs were taken. Evidence of the reproduction of the claimed tooling and claimed process was thus obtained. Further, the court order compelled the factory manager to provide accounting data on the number of products that had been manufactured over the previous three years. The infringement case was thus on a good footing following a procedure which lasted a single day.

The second case is of particular interest to the pharmaceutical industry. Often, evidence of the manufacturing process of a drug is difficult to obtain. A particular difficulty is that the active ingredient may be manufactured abroad (eg, in India) and imported into France, where the pharmaceutical composition itself is manufactured. In this case, there was no way of obtaining the required evidence as to the manufacturing process of the active ingredient in France or abroad. The solution lay in conducting an investigative infringement seizure at the French Drug Agency, which is in charge of granting marketing authorisations. The judge authorised a sworn officer assisted by a patent attorney to search the marketing authorisation dossier. Such a dossier includes a restricted section which contains information on the process for preparing the active ingredient. This is normally accessible only to the active ingredient manufacturer. As provided by the court order, the dossier, including the restricted section, was remitted to the sworn officer who, with the help of the patent attorney, selected from it the information required to prove that the claimed manufacturing steps were actually carried out

by an Indian manufacturer. This investigative seizure at the French Drug Agency was challenged in court and has so far been upheld by the Paris Court of Appeal.

This legal mechanism has been successfully applied in numerous cases involving many other fields of technology, such as electronics, information technology and physics. In every case, however, it is vitally important to know what information is required to prove infringement, and to draft a petition and a draft order for the judge accordingly. Care must be taken when drafting the petition: a particularly dangerous pitfall to avoid is neglecting to mention specific operations or requests to be made on site. Any search or request made during the seizure which was not specifically ordered, or at least was not within the scope of the order, may lead to cancellation of the whole seizure by the court. Needless to say, the patent attorney, through his or her experience and knowledge of the case, has a vital role in the preparation of the petition and in assisting the sworn officer on site.

Provisional measures

After obtaining the required evidence of infringement, the next step is to file litigation. Requesting provisional measures, such as a preliminary injunction, is one option provided by the IP Code, which was amended in October 2007 to be more patentee-friendly (Article L615-3).

Accordingly, the patent holder may petition the court having jurisdiction, in summary proceedings, for:

- an order against the alleged infringer or intermediaries whose services it uses;
- any measure intended to forestall an imminent infringement; or
- the prevention of the continuation of an infringement, if necessary, subject to recurrent pecuniary penalty for the defendant's failure to comply.

The court may also order any emergency measures on an *ex parte* petition, where circumstances require those measures not to be made in *inter partes* proceedings – in particular, where any delay could cause irreparable injury to the plaintiff. In summary proceedings or on petition, the court can order

the requested measures only if evidence reasonably accessible to the plaintiff shows that infringement is likely or imminent.

The court may order an injunction against continued acts of alleged infringement or make continued infringement subject to the posting of a bond to ensure compensation of the plaintiff, or order the seizure or delivery to a third party of the purportedly infringing products to prevent their entry or movement in commercial channels. If the plaintiff establishes that the recovery of damages is compromised, the court may order the confiscation of fixed and movable property of the alleged infringer, including the freezing of bank accounts and other assets. In order to determine the property subject to seizure, the court may order the production of banking, financial, accounting or commercial documents or the access to relevant information. The court may also grant the plaintiff a provisional award of damages when the existence of its injury cannot be seriously contested.

The court may make the execution of the measures ordered subject to the posting of a bond to ensure compensation of the defendant if the action for infringement is later held to be unfounded or if the measures are rescinded.

In the courts

This patentee-friendly statute raises a particular question about the threshold to be applied for determining likelihood of infringement. In terms of reproduction of the claimed features, the standard is that of a *prima facie* finding. Case law shows that this threshold is easily met in cases involving generics of patented active ingredients or patents deemed to be essential to implementing audio compression standards (eg, MP3). In those cases, the likelihood of infringement is almost unquestionable. Other cases are not as straightforward, particularly where an infringement finding may involve the doctrine of equivalents.

In fact, the most debated issue has been the validity of the patent: should the judge assess the validity of the patent at stake in order to determine whether infringement is likely? This question has been answered both ways. On March 21 2012 in *Novartis v Mylan*, which involved a supplementary protection certificate

(SPC) for Rivastigmine which was about to lapse, the Paris Court of Appeal decided that unless the patent is “manifestly invalid”, it is not incumbent on the judge in charge of summary proceedings to determine whether the patent at stake is valid on the merits. The court also noted that more than enough time had been available to the defendants to file a patent invalidity action on the merits in this case, and that they had waited until the last minute to do so – that is, after having been summoned to court in summary proceedings.

The *Rivastigmine* case also facilitates understanding of how the Paris *Tribunal de Grande Instance* interprets the phrase ‘infringement is imminent’. In the pharmaceutical field, it has been debated for some time whether infringement can be constituted by performing the steps required to obtain market authorisation, or even to set the price of a generic pharmaceutical composition. The answer has been in the negative. In the *Rivastigmine* case Mylan obtained market authorisation before the lapse of the SPC. There had been no infringement up to that point. However, Mylan informed the authorities that it would be ready to market within six months from the publication of that authorisation in the French *Official Journal* (ie, at a time when the SPC would still be in force). The court decided that infringement was imminent and enjoined Mylan.

In 2010 and 2011, in several proceedings involving standards applicable to MP3 electronic devices, the Paris *Tribunal de Grande Instance* also enjoined the defendants. The court also ordered the production of accounting documents and information. In one case, the defendant (a French importer and distributor of electronic appliances made in China) was ordered to provide information as to the manufacturers of the goods and the distributors and stores retailing them. The defendant was also ordered to provide information as to the quantities and price of the goods. In another case involving a well-known retail chain, the court ordered the seizure of the infringing products to prevent their entry or movement in commercial channels. The physical seizure was ordered not only in the defendant’s hypermarkets but also “in any place where the [seizure] operations indicate that infringing goods may be present”.

In most cases, an *inter partes* decision is rendered by the Paris *Tribunal de Grande Instance* within a few weeks or months. In particularly urgent cases, the *ex parte* route may be considered. However, as explained above, this route is available in particular if any delay could cause irreparable injury to the plaintiff. In addition, the case must be straightforward. This was so in another case involving an SPC belonging to Novartis for its product Valsartan – the SPC for which was due to lapse. A few weeks before the lapse, Novartis submitted an *ex parte* petition for an injunction against a manufacturer which was about to launch a generic pharmaceutical composition. The injunction was granted *ex parte* and confirmed *inter partes* by the Paris *Tribunal de Grande Instance* on October 31 2011. The court noted that the “premature introduction of a generic product onto the market is capable of causing substantial injury [to Novartis] through the loss of clientele and the lowering in price which necessarily results from such loss”.

Conclusion

As can be seen from these few examples, the provisional measures provided by French law prove to be efficient and speedy. This is readily apparent when considering the rate of success of preliminary injunction petitions filed in court. Even though a number of petitions filed in court clearly do not comply with the infringement likelihood requirement, available data shows that patent holders have been successful in approximately one-third of such cases submitted to the courts.

The French legal system therefore provides plaintiffs with mechanisms for protecting their IP rights, which can be rapidly implemented, and are favourably disposed towards patent holders. Patent holders looking to enforce their rights in pan-European litigation will find the French forum to be an attractive proposition. **iam**

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