

Enforcing patents in France

By **Pascal Moutard**, Brevalex, Paris

1. What options are open to a European patent holder, whose rights cover your jurisdiction, when seeking to enforce its rights in your jurisdiction?

A European patent holder has exactly the same rights as the owner of a French patent. It is, in particular, entitled to have an infringement seizure carried out, which is a very efficient way of collecting evidence of infringement. After having brought proceedings before the court it may further request a preliminary injunction.

Custom detention is now also available on the basis of a patent. Although probably more difficult to enforce than custom detention of goods infringing trademarks, it can be a useful tool for patentees.

2. Does your jurisdiction have specialist patent courts? If not, what level of expertise can a patent owner expect from the courts?

All litigation on patent matters falls within the jurisdiction of seven first instance courts and of the relevant courts of appeals. However, 70% of the litigation is handled by the courts of Paris and Lyon. In the Paris court, one chamber specialises in IP matters. More than 300 patent infringement cases are filed each year in France and therefore the French courts are used to dealing with complicated IP cases. As a result, a patent owner can expect a high level of competence from French judges. Expertise may be ordered by the judge on technical questions but is not very frequent, except when evaluating damages.

3. Is it possible to cross-examine witnesses at trial? How far are proceedings based on written evidence? Are there restrictions on the use of evidence from experts?

There is no cross-examination of witnesses. The whole procedure is in writing. In principle, any kind of evidence can be used, but it is very rare for a judge to rely on oral evidence. Experts' reports can be ordered by the judge and both parties have the right to see the report and findings, and to comment on them, just as they can with any other arguments and facts taken into account during the process. The expert report is only one piece of information for the judge and does not bind him. He is entirely free to follow the expert's conclusions or not. Accounting experts are also very frequently designated to evaluate damages. Sometimes experts' reports from foreign jurisdiction are taken into account by the French judge.

4. Are infringement and invalidity dealt with simultaneously? What level of proof is necessary to demonstrate one or the other?

The court which is competent to decide the infringement is also competent to decide validity. It makes the decision on infringement coherent with the analysis of the patent first performed by the judge to decide on the validity. As a general rule, any kind of evidence can be used. However, judges tend to rely on written evidence. In most cases an infringement seizure carried out by a bailiff is decisive for the decision on infringement. In the case of a patent covering a process for the manufacture of a product, the court may, subject to certain conditions, order the defendant to prove that the process used to manufacture an identical product is different from the patented process. It is a reversal of the burden of the proof. As to the validity of the patent, this is very often challenged by the defendant on the basis of written documents.

5. To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted?

There is no discovery process as, for example, in the US. The French Intellectual Property Code (CPI), however, has provisions on conducting an infringement seizure, a procedure which is very often used before a litigation. It allows a patentee to get relevant evidence in respect of the alleged infringement. The investigations may include the detailed description (*saisie descriptive*) – with or without the taking of samples – or the physical seizure of the infringing goods (*saisie réelle*). It is also possible to seize other items, such as the materials and implements used in the production of these goods and the documents relating thereto, to identify the infringers. These measures are taken *ex parte*, without the other party having been heard. Only the president of the court of first instance can order an infringement seizure and only the bailiff assisted by an expert (usually the patent attorney) is entitled to carry it out. It is a very efficient way to prove the infringement. It is possible for the person against whom the seizure is directed to ask the judge to retract or limit the order. Damages can also be claimed if the seizure is misused. With regard to the *saisie réelle* there is a time limit of 15 days as from the date on which the seizure is carried out to bring an action on the merits. If this does not happen, the seizure is void.

6. To what extent does any doctrine of equivalents apply in an infringement action?

Of course it applies. According to well-established French case law, means are equivalent if, despite being in a different form or structure, they have the same technical function to perform a similar result. This technical function has to be new. If it is known from the art then the doctrine of equivalents does not apply. The amended version of Article 69 of the European Patent Convention 2000 requires courts to take due account of equivalents, although it does not give a precise definition of the term.

7. Are there certain types of patent right that may be granted by the EPO – biotech or computer software-related, for example – that are more difficult to enforce than others?

Regarding CRI (computer-related inventions), there are some reasonable decisions in this field. French judges may apply the exclusion from patentability more strictly than the EPO. The analysis is not yet performed entirely on the basis of the same criteria (in particular, the “further technical effect”) that the now well-established EPO case law applies. I

think that practice will progressively harmonise between the different European countries.

8. To what extent are courts willing to consider, or bound by, the opinions and decisions of other courts that have dealt with similar cases?

No French court is bound by any previous decisions on similar cases. But, of course, some principles have become well-established case law and are well observed and applied by judges, particularly in view of the specialisation of the courts, as already mentioned.

9. To what extent are courts willing to consider the reasoning given by foreign courts that have handed down decisions in similar cases?

Here again French judges are totally free to evaluate or consider any decision or opinion from any other jurisdiction. In particular, when deciding on the validity of a patent they are not even bound by the decisions or opinions of the EPO Boards of Appeal on the same patent, though this does not mean they will not consider them. In addition, application of Article 69 EPC is not yet harmonised across Europe, so certain cases will be decided differently from one jurisdiction to another. This is one of the reasons why professionals are so impatient to have a system like the EPLA.

10. What options are open to a defendant seeking to delay a case? How can a plaintiff counter delaying tactics?

If a patentee sues a third party on the basis of a European patent before the end of the opposition period, the assumed infringer will certainly file an opposition and the judge will consider whether it is appropriate to stay the proceedings.

The so-called torpedo strategy seems to be confirmed since the decision of the ECJ in the case *Gasser v Misat* of December 2003. A torpedo action is an action for declaration of non-infringement of a patent. It is filed by a plaintiff who feels threatened by a patentee before the latter files an infringement action. According to European Council Regulation 44/2001 (and the former Brussels Convention), in such a case the jurisdiction of the state where the infringement proceedings are brought has to stay the proceedings until the jurisdiction of the court first seized is established. In the past, it was not uncommon to see plaintiffs first seizing the courts of a country reputed for its slow

proceedings, in particular in patent matters, for declaration of non-infringement of a European patent in other countries. Any infringement action before other courts (seized after the first court) in these other countries was therefore frozen until the court first seized decided on its competency. And since the court first seized was particularly slow, the action before the second courts was frozen for a long time. Some courts (the second courts) in other countries, such as France, decided not to stay infringement actions in such circumstances, particularly on the grounds that the action for declaration of non-infringement was filed in bad faith. But the ECJ has confirmed that the second court seized has to stay, regardless of any other consideration.

11. How available are preliminary injunctions and how do you get them?

The owner or the exclusive licensee, upon certain conditions, may request such a preliminary injunction. But proceedings on the merits must first be brought before the court for infringement of a patent and the injunction (or guarantees) is granted only if the proceedings on the merits appear well founded (that is, on the basis of the provided information, the patent is regarded as likely to be valid and the infringement action is likely to be successful) and have been initiated within a short time (usually within six months of when the patentee became aware of the infringing acts). The injunction is provisional and, under penalty of a daily fine, enjoins the defendant from committing the suspected infringing acts. The judge may grant the injunction only when the plaintiff has provided a guarantee to cover possible indemnification of damages suffered by the defendant if the infringement proceedings are subsequently judged to be unfounded. Or he may not grant the preliminary injunction and instead require the defendant to post a guarantee to cover indemnification of the patentee in case it is successful in its infringement action. Of course, the decision can be appealed.

12. How long does it take to get a decision at first instance? Is it possible to expedite this process?

No accelerated examination of the case is available. The approximate duration of a typical infringement case is between 18 and 30 months in first instance, depending on the complexity of the case. It should be kept in mind that a decision is on both validity and infringement.

13. What avenues for appeal are open to the defeated party in a first instance case? What criteria are there for granting an appeal? How long does the appeal process take?

The judgment of the first instance court can be appealed within one month of the decision being handed down. The appeal automatically suspends the decision of the first instance court, although this can be declared enforceable notwithstanding appeal. And the decision of the Appeal Court can be appealed before the Supreme Court (Court of Cassation) on points of law only.

14. To take a case through to a first instance decision, what level of cost should a party to a litigation expect to incur?

It depends very much on the nature of the case and on its complexity (number of parties involved, need for an expertise, etc). Statistics recently published by the EPO indicate amounts of about Euros 50,000 to Euros 200,000 for a small to medium-scale patent litigation, which seems quite realistic and is confirmed by our experience.

15. Who can represent parties in court? Is specialist representation required?

The parties have to be represented by an attorney at law (*avocat*) before the first instance court and by an *avoué* for procedural matters before the Court of Appeal. Very few attorneys may represent parties before the Supreme Court (Cassation Court). Patent attorneys have no right of audience, although they deal with substantive matters and play an important role in any patent litigation.

16. What remedies are available for infringement and how are these typically applied? Are punitive damages available and in what circumstances?

Different sanctions may be ordered by the judge and these do not relate only to damages. Usually, the judge also decides to bar the infringer from continuing the infringing acts, under penalty of a fine (which can be quite high). Depending on the case, he may also order destruction or confiscation of the infringing articles. He may even order the confiscation of the means and devices that were used to realise the infringement, or bar the infringer from operating elements such as machines or processes in order to cease the infringement, under penalty of a fine. The solutions available in this regard are numerous. Publication of the judgment in the press (which can be a problem for the

reputation of some firms) is also sometimes ordered, as well as provisional execution of the decision, if needed.

As to damages, there are no punitive damages in France. Damages are intended to compensate the patentee for the harm suffered. They are calculated on the basis of the infringing asset (number and value of articles) and the commercial and technical capacity of the claimant in order to determine whether it could have satisfied the demand of the infringer's clients. For the part of the infringing asset which the plaintiff could have sold, lost profits will be determined, taking into account the profit margin of the plaintiff. For the part of the infringing asset which the plaintiff could not have sold, the damage will be estimated on the basis of a royalty rate (a higher rate than would willingly be agreed on). If the plaintiff does not exploit the invention in France or only imports into France, damages are calculated on the basis of a royalty rate (here again a higher rate than would willingly be agreed on). Directive EC 2004/48 on the enforcement of IP rights opens the possibility of increasing damages if necessary, in particular on the basis of the unfair profits made by the infringer.

17. Are there any realistic alternatives to litigation in cases relating to patent disputes?

Mediation and arbitration are open to patent disputes. The validity of the patent cannot be decided by an arbitrator, but most of the questions raised in a patent dispute can be settled through mediation or decided in the frame of arbitration.

18. Has your jurisdiction signed up to either the London Protocol or the European Patent Litigation Agreement? If not, how likely is it that it will do so?

France is participating in the EPLA project and has signed the London Protocol.

19. Are there any other features of the enforcement system in your jurisdiction that you would like to point out?

Very often the plaintiff files additional claims for unfair competition. Combining different IP rights can also be very efficient in some cases, in particular for customs detention. And last, but not least, French judges are increasingly aware of the problem posed by infringement in general and damages awarded tend to be higher than in the past. I again mention Directive EC 2004/48, which opens the possibility of increasing damages if necessary.