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**MANAGING THE GROWING CHALLENGES
ASSOCIATED WITH DISCLOSURE
AND THE GATHERING OF EVIDENCE
ACROSS EUROPE: A FRENCH PERSPECTIVE**

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Evidence is essential to any litigation. Gathering evidence, however, is an issue in itself in patent litigation, in particular when the patented features are not readily available or when the patent relates to a manufacturing process, kept fiercely confidential.

Infringement actions may fail not only because of insufficient evidence but also because of inappropriate evidence. The reason is that the rules governing the taking of evidence are part of the civil or criminal procedure rules of each legal system. And even between systems offering similar tools for gathering evidence, the practice may differ significantly.

The EC Directive No. 2004/48 regarding the enforcement of intellectual property rights includes provisions on the disclosure and gathering of evidence. Its intent is to make sure that each country provides right-holders with the same panel of tools, in particular in Article 6 (evidence), Article 7 (measures for preserving evidence), and Article 8 (right of information).

The subject-matter of this submission, and of the panel discussion, is:

- ▶ to highlight the changes resulting from the implementation of the Enforcement Directive;
- ▶ to remind how evidence is gathered in each jurisdiction;
- ▶ to examine how the information gathered in one country may be used in parallel foreign actions.

This submission addresses these issues from a French perspective.

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1. How disclosure in key European jurisdictions has changed as a result of the Enforcement Directive?

The EC Directive No. 2004/48 of 28 April 2004 on the enforcement of intellectual property rights was implemented in France by Act No. 2007-1544 of 27 October 2007, which became completely enforceable after the application decree No. 2008-624 of 27 June 2008¹.

The Enforcement Directive has not significantly changed the French law regarding the gathering of evidence, except for the creation of the right of information.

Its main influence rather concerns provisional and precautionary measures² and the calculation of damages³.

The most common evidentiary means in France were and remain, by order of importance:

- ▶ the *saisie-contrefaçon*, which corresponds to Article 7 of the Enforcement Directive, but existed before the Directive;
- ▶ ordinary bailiff reports (*i.e.* purchase report or website report) which are not covered by any provision of the Enforcement Directive;
- ▶ expert opinions, which are not covered by any provision of the Enforcement Directive;
- ▶ the right of information, a new provision resulting from the implementation of Article 8 of the Enforcement Directive;
- ▶ the compulsory production of documents, which corresponds to Article 6 of the Enforcement Directive and existed before the implementation of the Directive but was rarely used.

These evidentiary tools are used beside exhibits usually adduced before the court, which correspond to publicly available documents (*e.g.* catalogue, sample, etc.).

We will examine those tools in the chronological order in which they are usually used for a given matter, namely:

- ▶ bailiff reports;
- ▶ the *saisie-contrefaçon*;
- ▶ expert opinions;
- ▶ the compulsory production of documents;

¹ Until French Act No. 2007/1544 of 29 October 2007, the Enforcement Directive was not directly applicable between private individuals but French law had to be interpreted in the light of the Directive. Between the Act of 29 October 2007 and the Decree of 27 June 2008, only the legal provisions requiring no application decree were enforceable. For example, the provisions regarding the right of information have been enforceable since 29 October 2007. The provisions regarding the *saisie-contrefaçon*, however, were enforceable only in patent matter.

² The implementation of the Enforcement Directive introduced in French law the possibility of obtaining an injunction in *ex parte* proceedings, as well as the seizure of the whole stock of infringing products.

³ Since the implementation of the Enforcement Directive the infringer's profit must be taken into consideration when assessing the damages to be paid to the right-holder.

- ▶ the right of information.

1.1.1. Bailiff reports

French courts are large consumers of bailiff reports.

Such reports are usually used to prove:

- ▶ the purchase of accused products (purchase report);
- ▶ the content of a website containing evidence of infringement (website report).

When other jurisdictions might accept the production of a sample purchased in a store or captures of websites, French courts request that such purchase or capture be performed by a bailiff.

Bailiffs and case law have developed detailed rules to draft such reports:

- ▶ for a purchase report, the bailiff, who is not authorised to enter private premises (even if they are open to the public), stays in the front of the store and records that the claimant's patent attorney enters the store with empty hands and gets out with the purchased goods, as well as with an invoice and receipt of payment; the bailiff drafts a report and seals the products, the invoice and the receipt;
- ▶ for a website report, the bailiff must follow a detailed procedure to delete the memory of his computer and prove that he has actually visited a remote website.

The advantage of such ordinary bailiff reports is that they can be drafted without informing the possible defendant and they raise no obligation to launch an action.

Accordingly, ordinary bailiff reports are regularly used before any litigation to start gathering evidence of infringement and to serve as a backup in case other pieces of evidence are refused.

1.1.2. The *saisie-contrefaçon*

The *saisie-contrefaçon* is the most efficient way of gathering evidence of infringement in France. 80% of patent infringement proceedings initiated in France start by a *saisie-contrefaçon*. 600 *saisies* are ordered each year by the court of Paris (probably 1,500 each year in France) for all IP matters.

The *saisie-contrefaçon* procedure existed in France before the Enforcement Directive. In fact, the *saisie-contrefaçon* procedure obviously inspired Article 7 of the Enforcement Directive⁴ regarding the measures for preserving evidence.

In France, the implementation of the Enforcement Directive was used as an opportunity to harmonise the provisions regarding the *saisie-contrefaçon* for all intellectual property rights⁵. But the said implementation has not significantly changed the rules regarding the *saisie-contrefaçon*.

A *saisie-contrefaçon* is only an evidentiary measure. It is not an injunction nor a seizure of the whole stock. The seizure of the whole stock may be obtained, even in *ex-parte* proceedings, by way of a preliminary injunction.

The *saisie-contrefaçon* procedure may be described as follows, in a nutshell.

A *saisie-contrefaçon* is performed upon an authorisation granted by the presiding judge of the local court, issued in *ex-parte* proceedings. A *saisie-contrefaçon* is a right and the judge cannot refuse to authorise it. The judge may only amend the scope of the authorised measures.

The request may be filed by the patentee or an exclusive licensee.

No *prima facie* evidence of infringement is necessary. The patentee or the exclusive licensee only has to demonstrate that the patent is in force, and that they are the current patent-holder or the current exclusive licensee⁶.

The defendant is not informed of the request or the order; it is informed of the *saisie* only when it is performed.

The court order authorises a bailiff, usually accompanied by an expert (in practice the patentee's patent attorney), both chosen by the claimant, to enter the premises mentioned in the order and to:

- ▶ describe the allegedly infringing product or process;
- ▶ copy any document regarding the allegedly infringing product or process (drawings, specifications, commercial or administrative or regulatory documents);
- ▶ describe the extent of the infringement and seize accounting documents;
- ▶ physically seize samples of the products or means used to manufacture the product.

If necessary and if it is provided for in the court order, the process may be run in order to enable the description; the product may also be dismantled.

⁴ The wording of Article 7-1 is partly a mere copy of Article L. 716-7 of the French Intellectual Property Code providing the rules for the *saisie-contrefaçon* for trademark matters.

⁵ The same wording is now used for all intellectual property rights and a *saisie-contrefaçon* is now possible with respect to all intellectual property rights (a *saisie-contrefaçon* was previously not available for semi-conductors or databases).

⁶ A *saisie-contrefaçon* order is usually issued in the light of an official copy of the patent, an extract from the European and / or French patent register and a receipt of the payment of annual fees.

The bailiff drafts a report, in which he records all his observations as well as those of the patent attorney, hands it out to the claimant, which exhibits it to the court later.

When confidential information is described or copied, the defendant may ask the bailiff not to describe it in his report but to place the description or the seized document or product in a sealed envelope.

In such case, the envelope is kept by the bailiff until an expert is appointed by the court.

When an expert is appointed, established case law provides that the claimant is entitled to gain access to any relevant information, be it confidential or not; only irrelevant and confidential information should remain secret.

The claimant must start proceedings within 31 calendar days following the *saisie*⁷. Absent the initiation of an action, the *saisie* is null and void.

Accordingly, the *saisie-contrefaçon* is a very efficient tool to gather evidence of infringement.

As stated above, the French rules regarding the *saisie-contrefaçon* have not significantly changed following the implementation of the Enforcement Directive. The only novelty concerns the possibility to seize equipment and tools to manufacture, distribute or implement the accused product or process.

1.1.3. Expert opinions

French courts very rarely appoint experts to provide information or opinions with respect to patent validity or patent infringement.

They do so on very rare occasions, for example:

- ▶ when a *saisie-contrefaçon* is performed against a company holding information classified as official secret, in which case the *saisie* is converted into expert proceedings with an expert authorised to deal with official secrets;
- ▶ when the parties disagree on the result of technical measurements.

No general opinion, however, may be requested from an expert by French courts with respect to the validity or the infringement of the patent.

⁷ French law provides that the action must be started not later than 20 working days or 31 calendar days after the *saisie*, whichever is longer: because of the French rules on the computation of time periods, a 31 calendar day period is always the longest.

Nevertheless, the parties may exhibit written expert opinions to the other party and to the court, like any other exhibit.

Party-appointed experts are never heard by the court or cross-examined by the other party.

1.1.4. The compulsory production of evidence

Article 6 of the Enforcement Directive relates to the production of evidence by the opposing party.

This Article was not implemented in French law on the ground that the ordinary rules of the French Civil Code and the French Code of Civil Procedure provide for the compulsory production of evidence.

In practice, the compulsory production of evidence is rarely ordered by French courts. It is in fact ordered only when:

- ▶ the patentee was unable to gather evidence during the *saisie*; absent an attempt to get the document during the *saisie*, the compulsory production is usually refused;
- ▶ the requested document is clearly identified and its existence is demonstrated (no general or unspecified request is admitted).

One could expect that, because national provisions must be implemented in view of the European Directive, the French provisions regarding the compulsory production of evidence would be more frequently used.

However, no such tendency has been seen at this stage.

Some decisions ordered the compulsory production of documents for patent matter, shortly before the implementation of the Enforcement Directive:

- ▶ in *Schindler v. Otis* (TGI Paris, JME, 11 July 2007), the patentee could not obtain the accused product during the *saisie-contrefaçon* and the defendant refused to sell it. The judge in charge of the case management ordered the defendant to sell two samples of the accused product to the patentee.

However, this remains rare, even after the implementation of the Enforcement Directive:

- ▶ in *Newdeal v. Wright* (TGI Paris, JME, 8 October 2007), the judge in charge of the case management refused to order the defendant to exhibit a drawing of the accused product because the patentee decided not to perform a *saisie* and did not prove that the product is sold in France;
- ▶ in *Honda v. Wuxi Kipor, Narbonne Accessoires, Distri 24* (TGI Paris, JME, 12 March 2008), the judge in charge of the case management decided that "*when the saisie-contrefaçon is possible, the provisions of the French Code of Civil Procedure, notably regarding the compulsory production of evidence, are not applicable*".

1.1.5. The right of information

The right of information was introduced in French law by the implementation of the Enforcement Directive.

It appears to be a powerful tool to obtain information on the channel of distribution as well as the scope of the infringing activities.

Previously, this information could only be gathered through a *saisie-contrefaçon*.

Since the entry into force of this new provision, it has been applied on several occasions.

In *Textile Well v. C&A France, Hudson Kunert Vertriebs* (21 March 2008), the Judge managing the case of the *Tribunal de Grande Instance* of Paris ordered that a German company (with no representation in France) provides the names of the manufacturers, suppliers and holders of the allegedly infringing goods, as well as the amount manufactured, supplied, ordered and received on the French territory together with the alleged infringers' turnover and accounting documents.

In *SBM v. Playshare, Toh, Wright, Hilstead* (18 April 2008), the Judge managing the case of the *Tribunal de Grande Instance* of Paris decided that the defendants' annual accounts (including the gross turnover, operating charges, net result before taxes, profit margin...) should be exhibited under penalty.

In *Ebay v. Lancôme Parfums et Beauté and L'Oréal* (25 June 2008), the Judge managing the case of the *Tribunal de Grande Instance* of Paris ordered Ebay to exhibit the quantities of infringing products sold, as well as the amount of commissions received for these sales.

Controversy exists whether the right of information can be exercised during the action on the merits (*i.e.* in connection with the alleged infringement) or only after a decision has been issued on the infringement:

- ▶ TGI Paris, 3rd chamber, 2nd section, 21 March 2008: "*the new provisions apply to pending proceedings and the judge in charge of the case management has jurisdiction. The right of information can be exercised **before** a finding for infringement*";
- ▶ TGI Paris, 3rd chamber, 1st section, 26 March 2008: "*the right of information can **only** be exercised **after** a finding for infringement, because the new provisions refer to the infringed products and not to the allegedly infringing product.*"

2. If information is gathered in one jurisdiction can it be used in another?

When a *saisie-contrefaçon* is performed in France, for the purpose of a French action, the gathered information may be used in parallel actions. There is no protection (*i.e.* no implied protective order) attached to the information gathered through a *saisie*.

The use in foreign proceedings of the information gathered in France is rarely disputed.

Only very few decisions have addressed this issue or ruled on a request to obtain a protective order in relation to the information gathered in France. And the few decisions issued tend to confirm that the documents can be used without restriction:

- ▶ in *Monsanto v. Merck* (24 November 1997), the President of the *Tribunal de Grande Instance* of Paris ruled that documents which are useful to prove the infringement and not confidential may be used freely in foreign proceedings and the confidential documents which are useful to prove the infringement could also be used but with a limited access to the parties' lawyers and patent attorneys;
- ▶ in *Rhône-Poulenc Rorer v. Bristol Myers Squibb* (30 September 1998), the *Cour d'Appel* of Paris held that the use in foreign proceedings of confidential documents useful to prove the infringement could not be restricted by a preliminary order; the claimant was only prohibited from using the confidential documents which are not useful to prove the infringement; in this judgement, the court added that the claimant could use the documents at its own risks and in consideration of the defendant's statement that it would challenge, in the foreign litigation, the use of the documents seized in France;
- ▶ in *Quick Turn Design v. Meta System* (29 July 1999), the President of the *Cour d'Appel* of Paris, decided that:
 - non confidential documents useful to prove the infringement could be used freely by the parties, in current or future proceedings, be they domestic or foreign;
 - confidential documents useful to prove the infringement could be used in foreign proceedings only after a final judgement on the merits has found the infringement.

We consider that the orders of 1997 and 1999 are questionable and that there is no reason to restrict the use of documents useful to prove the infringement to French courts.

No such protective orders have ever been ordered in relation to other pieces of evidence like bailiff reports, expert opinions or the ones compulsory produced.

It is important to remind that the EC Regulation No. 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters enables a court of a Member State to request the court of another Member State to perform a specific procedure for taking evidence.

In *Tedesco v. Tomasoni*, the ECJ had been asked to decide whether a UK court could refuse to perform an Italian *descrizione* in the UK for the purpose of an action for infringement of an Italian patent pending in Italy. The matter settled before the ECJ could issue its decision, but the *Avocat General* (18 July 2007) was of the opinion that the UK court should have arranged the *descrizione*.

3. Identifying protection measures that are available to avoid misuse of evidences in different jurisdiction

As stated above, the *saisie-contrefaçon* constitutes the most efficient way to gather evidence of infringement in France.

And unless a specific protective order has been obtained regarding the seized documents, these can be used freely for the purpose of foreign proceedings.

But these documents must be used only for evidentiary purposes.

If documents obtained through a *saisie* are used for other purposes (disparagement, use in proceedings unrelated to the patent infringement), their use might be disputed in two ways:

- ▶ the defendant could request that they be disregarded as evidence;
- ▶ the defendant may request compensation if damage is suffered.

If a specific protection has been obtained for a document, the same request may be made.

Note that the parties may request that the oral hearing take place in camera (non-public hearing). This measure, which requires both parties' consent, may be used in order to preserve trade secrets, according to Article 435 of the French Code of Civil Procedure. But the judgement handed down is public.

4. The timing of disclosure and information gathering in different jurisdictions

From the beginning of the proceedings, and even well before, when possible, the right-holder should gather evidence of infringement.

In France, most of the evidence is usually obtained before the launch of the action through bailiff reports and *saisies-contrefaçon*.

Often, bailiff reports (purchase and website reports) are arranged to record the sale or offer for sale of accused products or to obtain samples.

But French Law has gained a reputation of efficiency through *the saisie-contrefaçon*. The *saisie* is usually arranged at the very beginning of the proceedings in order to take the defendant by surprise. Several *saisies* may be arranged simultaneously or consecutively, for example on the manufacturer's premises and the retailer's premises if insufficient evidence is obtained in the first location.

In the pharmaceutical field a *saisie* is usually arranged at the French regulatory authority (Afssaps).

After a *saisie*, the claimant must start the infringement action; absent such an action, the whole *saisie* is null and void. But a *saisie-contrefaçon* may also be carried out during the course of legal proceedings.

Additional evidence may be obtained, after the initiation of the proceedings, through the right of information or the compulsory production of evidence during the proceedings on the merits. But as stated above, French courts are very strict on the compulsory production of evidence, in particular if it appears that evidence could have been obtained through a *saisie*. Accordingly, such measures are more likely to be ordered if a *saisie* was performed but insufficient information obtained.

5. The role of the court-appointed expert in nullity and infringement proceedings

As stated above, French courts rarely appoint an expert to give an opinion on the infringement or the validity of a patent.

But French courts have shown a recent tendency to appoint technical consultants to assist them throughout the instruction phase of the proceedings, as well as during the oral hearing.

Article L. 615-20 of the French Intellectual Property Code provides that the court involved in patent litigation may appoint a consultant of its choice, *ex officio* or at the request of one of the parties, to assist it throughout the instruction phase of the proceedings and during the oral hearing.

The consultant is not a court expert who drafts a report to give his opinion.

The consultant's assignment is to help the court to understand the technical issues and, in this respect, he is authorised to ask questions to the parties.

In practice, the consultant prepares comments on the parties' written pleadings, which are submitted before the oral hearing and to which the parties may reply.

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