

# Recent Developments in French Case Law

by Pierre Véron

## Employees' Inventions

***Roussel Uclaf v Raynaud and Labrie***  
Paris Court of Appeals 4th chamber, December 19, 1997

In France, compensation for inventions realised as part of the employee's duties was until recently evaluated according to the employee's remuneration (as opposed to those inventions made by an employee during his employment when he has no specific duty to make an invention – in these cases compensation is at a 'fair price'). The maximum amount awarded to an employee for an invention belonging to the employer was 210,000 FRF (£22,000).

For the first time in French case law, the Court considered that the compensation awarded to the employee should depend on the economic success of the employee's invention.

At the time the invention at issue was made, Roussel Uclaf employed Raynaud as a researcher. He was then promoted to Director of Innovations. He had invented a new treatment for prostate cancer that was patented by Roussel Uclaf.

According to a market survey that he executed and which was endorsed by the employer, a turnover of 400,000,000 FRF (£42,000,000) was expected from

the invention. As a result, Roussel Uclaf offered Raynaud an additional remuneration of two/three months of his salary.

Raynaud thought that this amount was not sufficient and claimed 5,000,000 FRF (£525,000) as compensation. He argued that the amount had to be determined, pursuant to the relevant collective bargaining agreement, according to the commercial interest of the invention.

After a lengthy litigation process the Paris Court of Appeals eventually accepted the plaintiff's arguments and ordered Roussel Uclaf to pay its employee the spectacular amount of 4,000,000FRF (£420,000). This case could open a new era in the field of employee's inventions.

## Novelty

***The Wellcome Foundation Ltd v Apotex France and Apotex Inc***  
Paris Civil Court (Tribunal de Grande Instance), 3rd chamber, March 25, 1998

This case deals with the issue of novelty.

Wellcome is the owner of European patent 291 633 relating to AIDS treatment by AZT.

Apotex applied for a marketing authorisation and offered AZT on the market for the same purpose. Wellcome brought

an action for infringement against Apotex. Apotex argued that the patent lacked novelty since the anti-viral activity of AZT had already been disclosed by scientific publications ten years before the patent application.

The Paris Civil Court held that the patent was valid and infringed. The Court found that the scientific publications did not destroy novelty, because they contained only a hypothesis about the therapeutic use of AZT, which was not confirmed by experiments and moreover was ruined by later published work.

***Athem v Stratus, Arome and Blanc-Beauregard***  
Paris Civil Court (Tribunal de Grande Instance), 3rd chamber, March 4, 1998

This case deals with confidentiality of tests conducted by the inventor prior to the patent application.

Athem filed a nullity action for lack of novelty against Blanc's patent covering a machine for laying fabrics on walls. Athem contended that the invention had been made available to the public before the patent application because Blanc had passed drawings of the machine, without any mention of confidentiality to people who were not informed of his intent to apply for a patent: a company

which worked with the inventor on the project, a company which had to manufacture a prototype, and a potential user.

The Court decided that communication to the company involved in the project and to the manufacturer of a prototype, which were presumably bound by a tacit agreement of confidentiality, was not novelty destroying. However, the Court held the patent invalid for lack of novelty because the inventor had disclosed the invention to the public before the patent application by sending drawings to a potential user.

## Infringement/Clinical Trials

### **Wellcome Foundation Ltd v Parexel International and Flamel Technologies**

Paris Court of Appeals, 14th chamber, Section A, January 27, 1999

The defendant Flamel was the owner of a patent relating to a technology of encapsulation of pharmaceuticals and was trying to demonstrate that said technology was applicable to the plaintiff's patented molecule named aciclovir. Wellcome sued Flamel for infringement, on the grounds that the clinical trials undertaken by the defendant, insofar as they had reached phase III, had lost their experimental nature so that it was entitled to obtain a preliminary injunction prohibiting Flamel from continuing such clinical trials because the same were not covered by Article L 613-3 of the Intellectual Property Code. The Court rejected the motion for preliminary injunction by Wellcome. It ruled that:

- the subject matter of the clinical trials at issue was to compare different methods of administration of the patented molecule and to find out an advantageous posology in terms of daily intakes;
- the numerical importance of the patients submitted to the clinical trials was not likely to have encouraged patients to abandon the patented drug;
- the product in dispute was not commercialised; and
- assuming that the clinical trials are positive, it would not be marketed before the patent expired (since no application for a governmental approval had been filed).

Therefore, the performance of clinical trials at issue did not constitute an act of patent infringement and, on the contrary, was covered by the exception.

This decision follows the similar German decisions of the German Federal Supreme Court ('Clinical trials I' and 'Clinical trials II'). However, this decision must not be regarded as systematically covering the experimental use exception used by clinical trials performed with the aim of obtaining governmental approval. Furthermore, the fact that such a decision ruled on a **preliminary injunction** request must be emphasised; it therefore does not prejudice the outcome of the case on the merits.

## Infringement/Regulatory Approval

### **Allen & Hanburys Ltd v Promedica and Chiesi Pharmaceutici SPA**

Supreme Court (Cour de Cassation), March 24, 1998

In this case of preliminary injunction, the Supreme Court had to decide whether the mere filing of a regulatory approval could be considered as an infringement.

Allen owns a French supplementary protection certificate covering steroids having anti-inflammatory action. Promedica was granted a marketing authorisation for a product falling under the scope of Allen's SPC.

Allen brought an infringement action against Promedica and then petitioned for a preliminary injunction. According to French law, a preliminary injunction can be granted only if:

- the patentee starts promptly (within six months according to prevalent case law) the action on the merits when he becomes aware of the infringement; and if
- the Court is of the opinion that the action on the merits is likely to succeed.

Promedica argued that the action on the merits had not been started promptly because Allen had sent a formal notice more than six months beforehand: this is when Promedica obtained regulatory approval.

Allen, however, replied that it had not been in a position to start its action for infringement earlier because the marketing of the drug by Promedica was very recent. Promedica then replied that the marketing approval by the French Drug

Agency dated back more than six months (the usual period for a 'prompt' action).

The Court of Appeals denied the preliminary injunction in view of the long time period between the marketing authorisation and the infringement action. However, The Supreme Court quashed the Court of Appeals decision. The Supreme Court held that the mere filing of an application for a marketing authorisation did not constitute an act of infringement since it was only an administrative step and not a material act of infringement (being observed that, in France, the marketing authorisation does not require the supply of a sample).

## Declaration of Non-Infringement

### **Boston v Dr Palmaz and Expandable Grafts Partnership (EGP)**

Paris Civil Court (Tribunal de Grande Instance), 3rd chamber, October 28, 1998

This case is part of the *EGP v Boston Scientific* saga. It shows that 'torpedoes' against Dutch cross-border injunctions are not likely to succeed in France.

Dr Palmaz and EGP own European patents relating to implants known as stents.

Boston marketed in various European countries, including France, stents manufactured in Israel by the Israeli arm of the Boston group. Dr Palmaz and EGP brought an action for infringement of the patent against Boston in the Court of The Hague in order to obtain cross-border injunctions against the marketing of stents falling under the scope of their patents.

Boston tried to torpedo this action by bringing, in France, an action for declaration of non-infringement.

The Court dismissed Boston's request. It held that Article L 615-9 of the French Code of Intellectual Property (equivalent to UK Section 71 of the 1977 Act) entitled only those planning for an industrial utilisation on EU territory to bring an action for declaration of non-infringement. As the stents were manufactured in Israel, hence outside the EU, this condition was not met.

The case will have further developments in France since Boston has also started a nullity action of the French parts of Palmaz and EGP patents.

# french case law

## Infringement Seizure/Confidential Documents

***Rhone Poulenc Agrochimie (RPA) v Monsanto France***  
Lyon Civil Court (Tribunal de Grande Instance), May 11, 1998

RPA owns patents relating to genetic modifications of plants to make them resistant to the herbicide known as glyphosate.

Monsanto, which developed a variety of genetically modified maize falling within the claims of the patents, was subject to a infringement seizure (saisie-contrefaçon) and to an action for infringement of patent by RPA.

During the seizure, Monsanto requested that confidential papers be put into sealed envelopes and that RPA could not gain access to these documents. RPA then asked the Court to appoint an expert in order to determine

which of the seized documents were necessary to bring evidence of the infringement.

Monsanto opposed the request for various reasons, the main one being that the accused activity was immune from infringement because it was experimental use.

The Court said that such defence was to be assessed in the course of the proceedings on the merits and appointed an expert in order to determine which documents were necessary to prove the infringement.

***Searle & Co and Monsanto v Laboratoires Merck Sharp & Dohme-Chibret and Merck Frosst Canada***

Paris Civil Court (Tribunal de Grande Instance), 3rd chamber, June 23, 1998

Searle and Monsanto are co-owners of European patent 679 157 which relates to anti-inflammatory agents.

They conducted infringement seizure in Merck's laboratories and brought an

action for infringement.

During the seizure, Merck requested that confidential documents be placed in a sealed envelope and petitioned the Court to obtain an appointed expert in order to determine which documents were necessary to prove infringement.

After the expert had made such determination, Merck moved again and asked the Court to prohibit Searle and Monsanto from disclosing or making use of such documents. The Court dismissed Merck's request. It said that the plaintiff was permitted to only use those documents useful for evidence of infringement.

Up till now, the French Courts have never accepted to restrict the use of documents obtained through a seizure for infringement for the purpose of French litigation. Therefore, there does not seem to be any legal obstacle for the use of such documents in parallel litigation.

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