

PILLS Seminar, at Bristows

Patent litigation in France

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Patent litigation in France

Welcome in the Court of Paris, the only court for patent issues in France



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...and its IP court room (3rd Chamber)



Contents

- 1. Availability of discoveries / seizures
- 2. Interlocutory and preliminary injunctions
- 3. Remedies
- 4. Key risks and concerns for the innovator
- 5. SPC update

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1. Availability of discoveries / seizure

Contents:

- 1.1. French evidentiary process
- 1.2. *Saisie*
- 1.3. Right of information

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1.1. French evidentiary process

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Basic principles

- No discovery as such:
 - ▶ the parties have the burden to prove the facts they allege
 - ▶ *saisie* is a major tool to prove infringement
 - ▶ compulsory production of documents is not frequent
- Prevailing value of written evidence:
 - ▶ deposition of parties and witnesses are legally possible but never used
 - ▶ affidavits are not very frequent

Role of technical experts

- Independent experts, chosen by a party, especially when the proof requires technical investigations or skills
- Court appointed experts, when there is a serious technical dispute (not frequent)

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1.2. *Saisie*

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A daily practice in France

- The most efficient way to gather evidence of infringement
 - ▶ used in 80% of infringement actions
 - ▶ 600 *saisies* ordered each year by the sole Court of Paris (probably 1500 in France each year) for all IP matters



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The *saisie-contrefaçon* in a nutshell

- The *saisie* is a way to gather evidence of infringement, not a preliminary injunction
- Upon authorization granted *ex-parte*, a bailiff assisted by experts chosen by the claimant may enter any premises where proof of infringement might be found to perform the authorized investigations
- The report handed to the claimant is later exhibited to the Court

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A *saisie* can be performed on the basis of almost all IP rights

- Patent (Art. L. 615-5 French Intellectual Property Code)
- Trademark (Art. L. 716-7 French Intellectual Property Code)
- Design (Art. L. 521-4 French Intellectual Property Code)
- Copyright
- Topography of a semi-conductor product (Art. L. 622-7 French Intellectual Property Code)
- Geographical indications (Art. L. 722-4 French Intellectual Property Code)
- Databases (Art. L.343-1 French Intellectual Property Code)


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For patents
Article L. 615-5 Intellectual Property Code



"The infringement shall be proven by any means.


For that purpose, any person with authority to bring an action for infringement shall be entitled, on the order issued upon request by the competent civil court, to direct any bailiff, accompanied by experts appointed by the claimant, to proceed in any place with either the detailed description, with or without taking samples, or the effective seizure of the allegedly infringing articles or processes as well as any related document.

The court shall order, for the same evidential purposes, the effective seizure of equipment and tools used to manufacture or distribute the goods or to implement the allegedly infringing processes.

It may condition the implementation of the measures it ordered to the furnishing by the claimant of security to ensure, if necessary, the defendant's compensation if the infringement action is subsequently held unfounded or the seizure is cancelled.


If the claimant fails to institute legal proceedings on the merits, either by civil action or criminal action, within a period of time set by regulation, the entire seizure, including the description, shall be void upon the defendant's request, without its having to motivate its request and without prejudice to the damages which may be claimed." ¹³

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**The grant of the order:
an *ex-parte* procedure**



- The *saisie* must be authorized by the President of the Court of first instance of Paris
- The petition is filed by the plaintiff's attorney-at-law
- The defendant is not informed of the petition, he is informed only upon performance of the *saisie*

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The grant of the order: a right for the owner

- The Judge **must** grant the order, if the claimant proves to be the owner of a title in force
- No preliminary evidence required under French law
 - ▶ EC enforcement Directive 2004/48 allows, but does not oblige, to require reasonably available evidence to support the request
- Judge can only:
 - ▶ restrict the terms of the petition
 - ▶ order the petitioner to a security or a bond

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Practical tips

- The aim of the *saisie* is to gather evidence, not to look for evidence
- It is vital to identify **before** the *saisie* information and documents needed to demonstrate infringement including origin and extent

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Identification of the targets


- Manufacturing plants
- Places of storage
- Points of exhibition, of sale
- Hospitals
- Administrative bodies (AFSSAPS)
- Customs
- Accounting data




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Simultaneous *saisies*



- It is sometimes necessary to perform simultaneous *saisies* (company headquarters, plants, suppliers, sellers...)
- Thus, it is essential to coordinate the *saisies* to keep the surprise

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Who conducts the *saisie*?

- The *saisie* is performed by a *huissier*, a public officer (bailiff)



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Who may take part to the *saisie*?

- An expert may help the bailiff to describe the infringing device
 - ▶ independent from the parties
 - ▶ generally a patent attorney
- Case law on the expert authorized to assist the bailiff in view of article 6 of ECHR on the right to a fair trial:
 - ▶ *Cour de Cassation*, July 6, 2000 (software): the employee of the plaintiff is not independent and is therefore not allowed to assist the bailiff
 - ▶ *Cour de Cassation*, March 8, 2005 (trademark): the trademark attorney (*conseil en propriété industrielle*) is considered as independent from his client and can therefore assist the bailiff




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Who may take part to the *saisie*?



- A police officer (or squad if appropriate)
- Any other person whose technical skills may be useful: a photographer, a computer expert, a locksmith, an accountant...
- To perform a *saisie* in a hospital a representative of the medical doctors official association (in case access to individual medical data is required)


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Evidence to be gathered




- Description and photographs of the accused device
- Copy of technical and commercial documents and accounting data
- Copy of program software




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Physical seizure



- Seizure of samples (to be paid according to the defendant's price list)
- Seizure of equipment and tools to manufacture or distribute the products or to implement the accused processes is allowed
- Seizure of the stocks: not possible for patents


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Confidentiality issues



- The defendant may ask the bailiff to place confidential documents in a sealed envelop
- The Court usually appoints an expert to sort out:
 - ▶ documents (even confidential) useful to prove the infringement which are handed over to the claimant
 - ▶ documents not related to the infringement


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The aftermath : the plaintiff has to start an action



- The plaintiff has to start proceedings within 20 working days or 31 calendar days if longer
- Otherwise: the whole *saisie* is invalid

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The aftermath: the validity of the *saisie* is often disputed

- The defendant often challenges :
 - ▶ the grant of the order
 - ▶ the validity of the *saisie*
- Courts are increasingly (and exaggeratedly?) strict

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1.3. Right of information (1/2)

- Applied without difficulty by the Judges to order the defendant, in the decision finding infringement, to produce the data necessary to calculate damages

1.3. Right of information (2/2)


- Rarely applied to order a defendant, before the decision on the merits, to produce data useful to prove infringement or its extent

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2. Interlocutory and preliminary injunctions

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Before the Directive implementation

- No possibility of *ex-parte* injunction
- Preliminary injunctions possible only for patent and trademark cases, in very restrictive conditions:
 - ▶ an action on the merits had been launched within less than 6 months from the date at which the plaintiff had been, or should have been, aware of the alleged infringement
 - ▶ the action on the merits is likely to succeed, i.e. the defendant has no serious defence.

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After the 29 October 2007 Act

- Provisional measures are possible for patents, trademarks and designs, but not for copyright
- The new requirements for *inter-partes* preliminary injunctions are less demanding
- *Ex-parte* injunctions become possible

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Condition for inter-partes preliminary injunctions according to Article L. 615-3 of the French intellectual property code

« Evidence reasonably accessible to the claimant make it likely that its rights are infringed or that such infringement is about to be committed »

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Condition for *inter-partes* preliminary injunctions according to case law (1/2)

- As a patent can be infringed only if valid, case law requires that the defendant does not seriously challenge the validity of the patent
- The defendant does not seriously challenge the alleged infringement

Condition for *inter-partes* preliminary injunctions according to case law (2/2)


- In some recent decisions, the 1st instance court of Paris considered the balance of the parties' interests:
 - ▶ in favour of the PI on 12 February 2010, in *EI Du Pont de Nemours and Merck Sharp & Dohme v. Mylan (Losartan)*
 - ▶ against the PI on 19 August 2010 in three actions started by *Aventis (Taxotère)*
- The judge may condition the continuance or the discontinuance of the accused acts on the furnishing of a security (not frequent)

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When can a preliminary injunction be requested?

- Before or after an action of the merit is started
- At any time from the date at which the patentee became aware of the alleged infringement

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What is imminent infringement? (1/2)

- Not sufficient to prove imminent infringement:
 - ▶ the grant of a marketing authorization
 - ▶ the registration on the list of reimbursable drugs
 - ▶ the absence of reply to a warning letter

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What is imminent infringement? (2/2)

- Example of circumstances proving imminent infringement, in a decision from the 1st instance court of Lyon of 21 July 2008:
 - ▶ the sales of the generic in other European countries
 - ▶ a catalog announcing a launching date
 - ▶ statements announcing a will to launch

Typical calendar


- Duration:
 - ▶ usually from 4 to 8 weeks
 - ▶ only a few days in case of urgency
- Steps:
 - ▶ summons
 - ▶ defendant's pleading
 - ▶ plaintiff's pleading (optional)
 - ▶ oral hearing
 - ▶ decision

Conditions for *ex parte* injunctions

- Only in case of urgency, when the circumstances require the measures to be taken *ex parte*, especially when a delay would cause irreparable harm to the patentee
- Exceptional in patent cases (one example on 17 December 2008)

The aftermath of *ex parte* injunctions

- Possibility of revocation by the judge who granted the preliminary injunction:
 - ▶ Paris 1st instance court, 8 July 2009, on the grounds that the patentee had not disclosed the opposition pending against the European patent corresponding to the French patent in dispute
- Right for the defendant to obtain damages in case of failure on the merits



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Importation in France of German "*Schutzschriften*"

- Raises some difficulties
- After an *ex-parte* injunction: possible to request the withdrawal of the order

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Remark

- If a preliminary injunction is ordered before the beginning of proceedings on the merits
- The plaintiff has to start proceedings within 20 working days or 31 calendar days, whichever is the longest, from the date of the preliminary injunction

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3. Remedies

Contents:

- 3.1. Basic principles
- 3.2. Granted awards
- 3.3. Other remedies (average)

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3.1. Basic principles

- For those who exploit the patent, right to claim the lost profits
- Always possible to claim lost royalties

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Controversy about the infringer's profit

- Adopted once in a trademark case (Versailles court of appeal, 10 March 2010)
- Refused in another trademark case (Paris court of appeal, 25 September 2009)
- Remains in contradiction with the basic principle of French tort law according to which the damage must be compensated entirely without any loss and any profit for the parties (*Cour de cassation*, 23 March 2010)

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3.3. Granted awards

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Paris TGI 2000-2009

The largest damages awards

Date	Parties	Total damages
14/01/2009	Agilent Technology Deutschland GmbH, Hewlett-Packard GmbH / Waters Corporation, Waters SAS	€4,317,180
09/10/2009	Legrand, Legrand SNC / Alternative Elec	€3,301,000
14/09/2007	Philips Electronics / Manufacturing Advanced Media Europe	€2,000,000
14/05/2003	Dentsply Research & Development Corporation / Electro Medical Systems	€1,256,178
29/10/2008	L'Air Liquide/ Yara France	€1,195,050
16/09/2009	Hager Security formerly Atral / Cedom, Leroy Merlin France	€1,184,806
09/11/2004	Schneider Electric Industries / Wenzhou Fly-Dragon Electric	€1,000,000
12/09/2007	SEB / De Longhi	€989,858
08/03/2006	Citec Environnement / K.A. France, Ssi Schaeffer	€693,653
28/01/2009	Treves / Visteon Systèmes Intérieurs	€530,000
10/07/2002	Sedac-Mecobel / J.P. Gruhier SA, Styling	€517,036
04/12/2001	Fernand Scherrer, Normalu / New Mat	€352,380
23/02/2007	PTC / Anlagentechnik-Baumaschinen-Industriebedarf Maschinenfabrik und Vertriebsgesellschaft, Hks Dreh Antriebe	€306,347

(costs under Art. 700 CPC not taken into account – advance payments excluded – settlement agreement excluded)

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Patent litigation in France

Paris TGI 2000-2009

The largest advance payments awarded

Date	Parties	Advance payment
09/02/2007	Ethypharm / Laboratoires Fournier	€10,000,000
17/03/2009	Micssystemes / Quizille, Bourbouloux, Financiere Libertel 16, Acentic	€2,600,000
29/06/2004	Technogenia / Martec, Ateliers Joseph Mary, Bmi (Martec), Actciale, Francis Barrat	€2,000,000
07/04/2009	Instrumentation Laboratory / Diagnostica Stago	€2,000,000
25/03/2009	Novartis AG / Johnson & Johnson Vision Care, Johnson & Johnson Medical, Ethicon	€1,000,000
06/06/2007	Rotanotice / M.Y. Healthcare France	€500,000
09/10/2001	Citec Environnement / K.A France, Ssi Schaeffer, Ssi Schaeffer	€304,899
09/10/2001	Sara Lee De N.V., Sara Lee De France / La Johnson Francaise	€250,000
28/03/2000	Glaxo Operation UK Ltd / Laboratoire Flavelab	€228,674
19/10/2004	SEB / De Longhi	€220,000
11/03/2005	Valois / Rexam Dispensing System anciennement Sofab	€200,000
01/12/2005	Gilles Giora Concept Acoustique, Soproci / Socarel, Bec Freres	€200,000
26/09/2007	Mutzel / Institut Pasteur, Philippe Marliere, Didier Fondeur, Evologic	€200,000
27/05/2009	Bobst / Heidelberg Postpress Deutschland	€200,000
03/10/2007	Treves / Visteon Systèmes Intérieurs	€200,000
05/10/2005	Zodiac Pool Care Europe / Arch Water Products Tematech, Aquaproducts	€200,000

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3.3. Other remedies (average)

- Penalty for breach of the injunction 2.500 € per breach
- Publication 3 journals
- Total cost 10.500 €
- Provisional enforcement
- Confiscation
- Recall

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4. Key risks and concerns for the innovator

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4.1. Chances of success

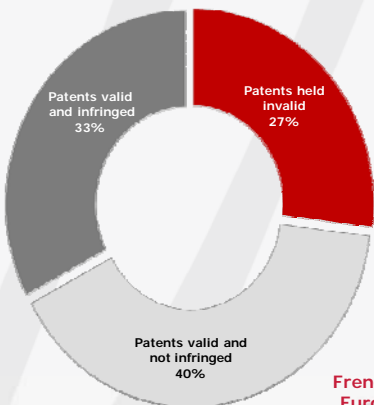
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TGI Paris 2000-2009

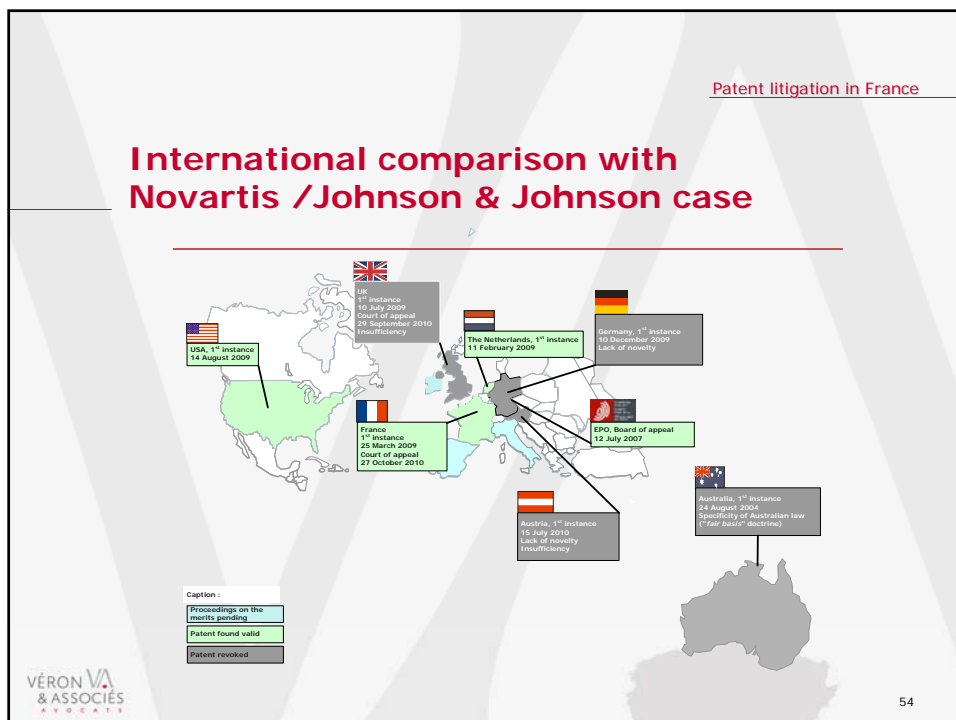
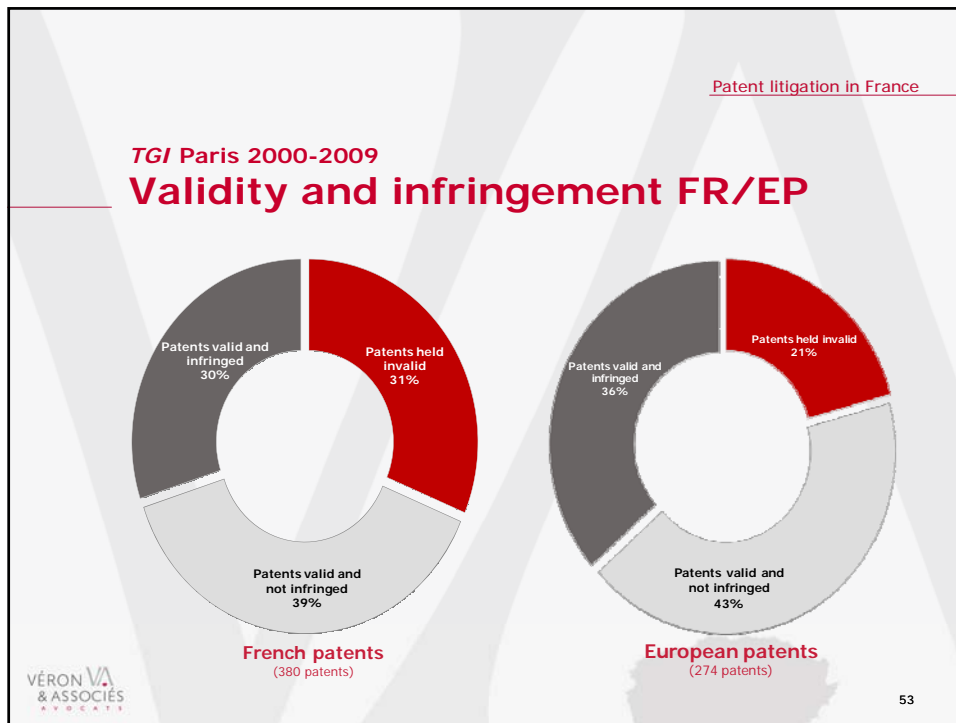
Validity and infringement



French patents and European patents
(654 patents)

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4.2. Duration

- Will of the Judges to speed up the proceedings
- 1st instance decision often issued within 14 or 18 months from the summons

4.3. Litigation costs

- Reimbursement to the winning party of a significant part of its litigation costs under article 700 of the Civil Procedure Code (amount at the discretion of the Court)

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TGI Paris 2000-2009
Costs: the largest amounts awarded to the patentee

Date	Parties	Article 700
07/04/2009	Instrumentation Laboratory SPA / Diagnostica Stago	€315,000
29/06/2004	Technogenia / Martec, Ateliers Joseph Mary, BMI	€150,000
16/09/2009	Hager Security anciennement Atral / Cedom, Leroy Merlin France	€140,000
29/10/2008	L'Air Liquide/ Yara France	€120,000
19/03/2008	Hesco Bastion / Link Middle East, Sogea Reunion	€100,000
12/03/2008	Polymer Group / Scamark, Coopérative approvisionnement Île de France, Kapa Reynolds, US Nonwovens	€75,000
08/03/2006	Citec Environnement / K.A. France, Ssi Schaeffer	€75,000
27/05/2009	Bobst / Heidelberg Postpress Deutschland GmbH	€50,000
29/04/2009	Adee Electronic / Micro Technologies Innovations	€50,000
21/01/2009	Honda Giken Kogyo Kabushiki Kaisha / Top Accessoires, Alpa Accessoires-Loisir-Plein Air, Acimex	€50,000
09/02/2007	Ethypharm / Laboratoires Fournier	€50,000
09/11/2004	Breda, Cuypers, Lieberherr Associates / International Dental Research, Ateliers Laumonier, International Dental Research	€44,000
01/10/2004	Seiko Epson Corporation / Armor	€40,000

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TGI Paris 2000-2009
Costs: the largest amounts awarded to the defendant

Date	Parties	Art. 700 defendants
06/10/2009	Compagnie Industrielle des Lasers Cilas / Malvern Instruments	€300,000
01/07/2009	Otis Elevator / Schindler (RG 06/18186)	€300,000
13/01/2009	Newdeal / Wright Medical	€295,840
14/01/2009	Abbott Ireland, Abbott France / Evysio Medical Devices Uic	€260,000
26/01/2005	Luk Lamellen und Kupplungsbau GmbH contre Valeo	€200,000
01/07/2009	Otis Elevator / Schindler (RG 07/07376)	€200,000
16/10/2009	Lely Enterprise AG / Delaval International AB, Delaval	€175,000
03/03/2009	Trikon Technologies / Alcatel Vaccum Technology France	€162,900
09/03/2007	Mitsubishi Electric Corporation, Melco Mobile Communications Europe / CP8 Technologies	€150,000
19/05/2009	Paul Boye Technologies / Sioen Industries	€150,000
10/11/2009	KCI Licensing / Smith et Nephew	€100,000
12/02/2008	Arrow Generiques, Eurogenerics, Ratiopharm / MSD Somerset, Merck & Co	€100,000
30/01/2008	ABB France the successor to Soule Protection Surtensions / Indelec, Citel	€100,000
21/06/2006	Eschenbach Optik, Marchon Eyewear / Optigen	€100,000

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5. SPC update

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No French specificities as to:

- The definition of a drug within the meaning of Article 1a) of Regulation (EC) 469/2009
- The definition of a product within the meaning of Article 1b)
- The definition of a product already covered by a previous SPC within the meaning of Article 3c)

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Interesting French decisions about:

- The definition of a product protected by the basic patent within the meaning of Article 3a) (5.1.)
- The scope of a SPC (5.2.)

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5.1. What is a product covered by a basic patent within Article 3a)?

- When the combination A+B is not explicitly claimed as such, it seems to have a chance to be found « *protected* » by the basic patent only if it is described as a preferred embodiment of the patent
 - ▶ Court of appeal of Paris, 8 February 2006 (Du Pont de Nemours v. Director of French patent office): the composition comprising two active ingredients (A+B) was held as not covered by the basic patent because the second one (B) was quoted only as an example among 67 other possible substances, without being mentioned as preferred embodiment
- Therefore, French case law seems to require a high level of support in the description



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5.2. Scope of a SPC

- The paediatric extension of the SPC designating A (Losartan)
- Was found infringed
- By the drug comprising Losartan and HCTZ
- Although the latter was the subject matter of another SPC with no paediatric extension


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Thank you

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