

# Case Comment: Europe

## Torpedos Miss Their Mark in France

In a judgment handed down on October 28, 1998, the Court of First Instance of Paris held that in an action for declaration of non-infringement is not available in the French courts if the party moving for such a judgment is not manufacturing the products involved in the European Union. This judgment is the first one to decide a case of declaration of non-infringement, although such action was introduced in the French Patent Act of 1984.

It also has a significant interest in the field of international patent litigation, since it shows that 'anti-injunction torpedoes' are not as readily available in

France as they seem to be in other countries<sup>1</sup>.

The case decided by the Court of First Instance of Paris is one of the many facets of the multinational litigation pending between Dr Julio Palmaz and the US Company Expandable Grafts Partnership, on the one hand, and Boston Scientific Company, a US Company, and its various European subsidiaries on the other<sup>2</sup>.

The plaintiffs own European patents Nos 221 570 and 335 341 for stents, which are tubular prosthetic grafts used for repairing blood vessels narrowed or occluded by disease. They contend that these patents are infringed by stents marketed in various European countries by Boston Scientific.

Palmaz and Expanable Grafts Partnership have started several actions for infringement, namely one in The Hague Court<sup>3</sup>, where they relied, *inter alia*, on the Dutch and French parts of their European patents.

In an attempt to prevent the Dutch court from granting an injunction, Boston Scientific started an action for declaration of non-infringement of the French part of the European patents in the Court of First Instance of Paris.

The judgment issued on October 28, 1998, dismissed their case. It is based on a strict interpretation of Section L 615-9 of the French Intellectual Property Code (the French equivalent to Section 71 of the 1977 UK Patents Act) which reads as follows:

Any person who can justify industrial exploitation on the territory of a Member State of the European Union, or effective and serious preparations to that end, may request the proprietor of a Patent to express his view as to the infringement of this Patent by such exploitation of which the description has been furnished to him.

If this person disagrees with the answer he has received, or if the Patent holder has failed to answer within three months of the request, the person may serve summons on the Patent holder in order to have the Court decide whether or not the Patent is a bar to the exploitation concerned; such action does not prejudice an action for nullity of the Patent or a subsequent action for infringement, in the case of said exploitation not being carried out under the conditions specified in the description mentioned in the preceding paragraph.

The court observed that the stents marketed in Europe by Boston Scientific were manufactured in Israel and that

only final inspection and packaging took place in Europe. It therefore decided that this was not an 'industrial exploitation' in the sense of Section L 615-9 of the French Intellectual Property Code.

Actions for declaration of non-infringement are not common practice in the French courts (again, this case is the first one, started as main proceedings, to be decided in 15 years). Actions for nullity of a patent started by a potential infringer are not very frequent. French practitioners generally advise that such actions have no significant strategic interest in a purely French context, since French courts are more used to dealing with counterclaims for nullity lodged by way of defence in a main action for infringement: French judges do not pay a great deal of attention to the fact that the potential infringer has taken an active step, rather than waiting to be sued for infringement.

This situation might prove to be different in an international context as article 21 of the Brussels Convention could oblige a court where an action for infringement is launched to stay the proceedings if an action for declaration of non-infringement has been started earlier in another European Court<sup>4</sup>.

However the judgment of the Court of First Instance of Paris in the *Palmaz and Expandable Grafts Partnership v Boston Scientific* case could be a cue that French courts are not prepared to be a proper forum for actions of which the main purpose is to torpedo an action for infringement started outside France.

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### Notes

1. Mario Franzosi 'Worldwide Patent Litigation and the Italian Torpedo' [1997] 7 *EIPR* 382.
2. About the UK litigation, see *inter alia* Michael Burdon and Paul Garland 'Pan-European Patent Litigation: Back to the Future' *Patent World* 98, December/January 1997/98; Michael Burdon and Amanda Clark 'Stent Case Shows UK Patent Litigation in Good Health: *Boston Scientific Corp v EGP Patent World* 105, September 1998.
3. Richard Ebbink 1998 Review: Pan European Jurisdiction' *Patent World* 109, February 1999.
4. 'Where proceedings involving the same cause of action and between the same parties are brought in the courts of different contracting states, any court other than the court first seized shall of its own motion stay its proceedings until such time as the jurisdiction of the court first seized is established. Where the jurisdiction of the court first seized is established, any court other than the court first seized shall decline jurisdiction in favour of that court'.