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Contributing Editor

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Senior Editors

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Caroline Collingwood

CEO

Dror Levy

Group Consulting Editor

Alan Falach

Publisher

Rory Smith

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Global Legal Group Ltd.
59 Tanner Street
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Fax: +44 20 7407 5255
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France

Armengaud Guerlain

Catherine Mateu



1 Patent Enforcement

1.1 Before what tribunals can a patent be enforced against an infringer? Is there a choice between tribunals and what would influence a claimant's choice?

While patent infringements may be both a civil tort and a criminal offence, civil courts judge almost all patent infringement cases because, contrary to criminal law cases, civil cases are judged by chambers that are specialised in intellectual property law. In civil cases, plaintiffs, duly represented by lawyers, must ask bailiffs to deliver a fully motivated complaint to defendant(s) and then have the delivered complaint filed in court.

For proceedings initiated after November 2, 2009, the Paris Civil Court of First Instance has exclusive jurisdiction. Previously, patent infringement proceedings could be filed before one of the seven First Instance Civil Courts, which had territorial jurisdiction in particular cases. Patent infringement proceedings may be initiated upon a complaint from the patent owner, the exclusive licensee under the conditions set in the Intellectual Property Code (hereafter the IPC), or in case of criminal proceedings, by the public prosecutor or by customs officials.

1.2 Can the parties be required to undertake mediation before commencing court proceedings? Is mediation or arbitration a commonly used alternative to court proceedings?

Parties cannot be required by the court to undertake mediation because both parties must agree to mediation. Mediation and arbitration are not commonly used alternatives to court proceedings, but are welcome methods of settling disputes. More and more often during case management hearings, parties are asked whether they wish to initiate mediation proceedings.

1.3 Who is permitted to represent parties to a patent dispute in court?

Any lawyer from the Paris Bar may represent a party in a patent dispute before the Paris Court of First Instance and before the Paris Appeals Court, which have exclusive jurisdiction for patents in France. French lawyers from other bars may represent parties in oral hearings but must appoint a member of the Paris Bar as a Court representative for written representation.

1.4 What has to be done to commence proceedings, what court fees have to be paid and how long does it generally take for proceedings to reach trial from commencement?

In practice, patent infringement proceedings start with a seizure that may be carried out after an order from the President of the Paris Court. Once the plaintiff discloses relevant pieces of evidence such as the title and any allegedly infringing actions, seizure orders may be immediately granted. Seizures are performed by bailiffs, who perform any judge-authorized investigation, describing or seizing allegedly infringing goods or any document linked to them. Bailiffs can be, if authorised by the court order, assisted by experts (technicians, computer specialists, accountants, etc.) other than employees of the plaintiff.

The Paris Civil Court of Appeal held, in a ruling dated May 26, 2017, RG 15/10204, that a seizure can be carried out without requiring proof or even the commencement of proof of an infringement.

Within 31 calendar days or 20 business days from the seizure, the plaintiff must deliver a complaint to the defendant. Unless there is a particular urgency, the plaintiff must try to resolve the dispute with an amicable outcome before delivering a complaint (decree n° 2015-282 of March 11, 2015). Once the case is filed, the plaintiff must show relevant pieces of evidence in the pre-trial preliminary proceedings and the defendant must file a response. In certain cases, the court may appoint an expert. During pre-trial proceedings, parties may ask the judge to order the communication of relevant pieces of evidence, as well as to grant provisional compensation.

No court fees have to be paid to commence proceedings. The only fees a party has to pay are the attorney fees for drafting the complaint, and bailiff fees to serve it.

In straightforward patent infringement cases, pre-trial proceedings last 12–18 months.

1.5 Can a party be compelled to disclose relevant documents or materials to its adversary either before or after commencing proceedings, and if so, how?

While there are no discovery proceedings under French law, based on general civil law, a pre-trial judge may order the production of documents (Article 770 Code of Civil Procedure). More specifically, since the implementation of the Directive on the Enforcement of Intellectual Property Rights 2004/48/EC, French law expressly provides a “right of communication” to enable plaintiffs to find out the origin of allegedly infringing goods. These pieces of information

may be obtained upon a petition presented to the jurisdiction either before proceedings or during pre-trial proceedings (see question 1.2). Also, the court may order on its own motion, either before or after commencing proceedings, any legally permissible preparatory inquiries (law n°2014-315 of March 11, 2014). Article 43 of the TRIPS Agreement also provides that courts may order the opposing party to disclose evidence if such evidence is necessary to the substantiation of the defendant's claim. In any case, the jurisdiction will assess whether any lawful impediment such as *force majeure*, professional secrecy, or business secrecy is legitimate to limit the communication of evidence.

1.6 What are the steps each party must take pre-trial? Is any technical evidence produced, and if so, how?

After filing the complaint, once the defendant is represented, the plaintiff's lawyer must disclose the evidence pieces to the defendant's lawyer, who will then respond in writing and disclose relevant evidence pieces. Parties will be allowed to respond to the opponent's claims or counterclaims. According to standard procedures at the Paris Court, there should be only two briefs from the plaintiff (including the initial complaint) and from the defendant. Also, the defendant is the last one to respond. While the rule about the number of briefs is not generally followed (parties often file three, four or even more briefs), it is quite set that the defendant has to be the last one to respond. In matters involving complex technologies, the court may appoint a technical expert. In any case, the plaintiff must clearly show the infringement.

1.7 How are arguments and evidence presented at the trial? Can a party change its pleaded arguments before and/or at trial?

In regular civil proceedings, only written submissions and pieces of evidence correctly presented during the pre-trial proceedings are admissible, which can then be orally presented by each party's attorney. Like criminal law proceedings, preliminary injunction proceedings are oral; nonetheless, judges will carefully consider written submissions, which must, in civil proceedings, comply with the format set by the Code of Civil Procedure.

During pre-trial proceedings, parties may exchange their written submissions a couple of times in accordance with the calendar set by the judge in charge of the case. During these pre-trial proceedings, parties may add or abandon new means of defence, arguments, or evidence pieces. Also, parties may withdraw their claims at any time.

1.8 How long does the trial generally last and how long is it before a judgment is made available?

Usually, patent infringement trials last from a couple of hours to half a day. The ruling is made available a few weeks later.

1.9 Are judgments made available to the public? If not as a matter of course, can third parties request copies of the judgment?

Any person over 18 can ask for copy of a Court ruling at the Court Registry. Most patent cases are electronically accessible from the Industrial Property Office website: <http://base-jurisprudence.inpi.fr/cindocwebjsp/>.

The jurisdiction can also order, if it has been requested by one of the parties, the decision to be published online or in paper publications. (L615-7-1 of the IPC.)

1.10 Are courts obliged to follow precedents from previous similar cases as a matter of binding or persuasive authority? Are decisions of any other jurisdictions of persuasive authority?

Courts are not bound by prior decisions from similar cases and are not required to follow them as binding authorities. Nonetheless, prior decisions do have a persuasive effect for future decisions; in particular, when they are issued from the European Patent Office (EPO) or from highly regarded jurisdictions such as the *Cour de Cassation* or the ECJ. Also, lower courts are required to follow a higher courts decision when it is a case that has been remanded back to their court. Finally, foreign decisions have a persuasive effect and may in certain cases have *res judicata*.

1.11 Are there specialist judges or hearing officers, and if so, do they have a technical background?

In France, the third chamber of the Paris Court of First Instance, composed of a total of 12 judges divided into four sections, specialises in patent cases and has exclusive jurisdiction in France for patent cases. The fifth pole of the Paris Appeals Court, composed of six judges divided into two chambers, specialises in patents. These judges do not have a technical background.

1.12 What interest must a party have to bring (i) infringement, (ii) revocation, and (iii) declaratory proceedings?

According to general civil law, plaintiffs must have a personal, legitimate interest to bring proceedings. For infringement cases, as a matter of admissibility, proceedings may be initiated by the patent owner or by the beneficiary of an exclusive licence (except as otherwise stipulated in the licensing contract) if the patent owner gives notice of not instituting such proceedings. Revocation proceedings may take place as a counterclaim or as a principal claim by parties who may have an interest in seeing the patent invalidated (e.g. an action initiated by the patent buyer, Paris Appeals Court, October 19, 2005, PIBD, 2006-IIIB-47), as long as the interest is not illegitimate (inadmissibility of an invalidity action filed as a retaliation to unlinked unfair competition proceedings (Paris Appeals Court, July 6, 2007, *SIDER v. PRONTEX*)). Any person, who proves to have a legitimate industrial operation on the territory of a Member State of the European Economic Community, or showing real and effective preparations to that effect, may bring non-infringement declaratory proceedings (Article L615-9 of the IPC).

1.13 If declarations are available, can they address (i) non-infringement, and/or (ii) claim coverage over a technical standard or hypothetical activity?

Declaratory non-infringement proceedings can address non-infringement over a legitimate industrial application on the territory of a Member State of the European Economic Community or over real and effective preparations to that effect (Article L615-9 of the IPC) (see question 1.9). However, there are no such declaratory judgments about technical standards or hypothetical activity.

1.14 Can a party be liable for infringement as a secondary (as opposed to primary) infringer? Can a party infringe by supplying part of, but not all of, the infringing product or process?

Primary infringement is defined in Articles L613-3 (prohibition of

manufacturing, use, offering for sale and detention) and L613-4 of the IPC. Specifically, Article L613-4 of the IPC prohibits the supply or offer to supply, on French territory, of the means of implementing, on that territory, the invention with respect to an essential element thereof, where the third party knows that such means are intended for putting the invention into effect. This provision does not apply when the means of implementation are staple commercial articles, except where the third party induces the person supplied to commit acts prohibited by Article L613-3.

The Supreme Court, in a ruling dated June 8, 2017, n°15-293783, held that infringement by supply of means of a patent that covers an invention that consists of a combination of means, may result from the supply of a mean relating to an essential element of the combination, when the infringer knows or when circumstances make obvious that this mean is intended for the implementation of this invention, even though it is a constituent element.

1.15 Can a party be liable for infringement of a process patent by importing the product when the process is carried on outside the jurisdiction?

Article L613-3 of the IPC provides that, except with consent by the patent owner, the offering, putting on the market or use of the product obtained directly by a process, which is the patent subject matter, or importing or stocking for such purposes, shall be prohibited.

1.16 Does the scope of protection of a patent claim extend to non-literal equivalents?

French case law has acknowledged infringement by equivalents, where a similar function is performed by a different item of the infringing goods (Supreme Court, January 26, 1993, PIBD, 1996-608-III-175), as well as partial infringement and reproduction of the essential characteristic of the protected system (Supreme Court February 19, 1991, PIBD, 1991-503-III-391).

1.17 Can a defence of patent invalidity be raised, and if so, how? Are there restrictions on such a defence e.g. where there is a pending opposition? Are the issues of validity and infringement heard in the same proceedings or are they bifurcated?

Patent validity can be challenged in an enforcement action as a counterclaim or in separate proceedings before the same court. A stay on the proceedings may be requested for good administration of justice or in the circumstances mentioned in question 1.16 hereafter. The patentee may also limit its patent to avoid invalidity according to Article L613-25 of the IPC. The issues of validity and infringement are most often heard together because the French judicial system is unified.

1.18 Other than lack of novelty and inventive step, what are the grounds for invalidity of a patent?

Article L613-25 of the IPC provides that a patent may be invalid if:

- its subject matter is not patentable within the terms of the IPC;
- it does not disclose the invention sufficiently clearly and completely enough to be carried out by a person skilled in the art; or
- its subject matter extends beyond the content of the patent application.

Article 138 of the European Patent Convention (October 5, 1973) contains similar provisions.

1.19 Are infringement proceedings stayed pending resolution of validity in another court or the Patent Office?

Courts may stay the proceedings for good administration of justice (i.e. other proceedings pending), and must stay the proceedings for infringement of a French patent that covers the same invention as a European patent applied for by the same inventor, until the French patent ceases to have effect (because the European patent has been granted) or until the date on which the European patent application is refused, withdrawn or the European patent revoked (i.e. Paris Appeals Court June 13, 2013, RG 13/06235).

1.20 What other grounds of defence can be raised in addition to non-infringement or invalidity?

The theory of “essential facilities” from EU law or exhaustion of rights can be raised. Also, there is the possibility to oppose prior rights of invention possession (Article L613-7 of the IPC). According to the Paris Convention Article 5ter, the use of patented technology via means of transportation may fall outside the scope of patent law and not constitute patent infringement (see *Interphyto v. Chemagro*, Paris Court of Appeal, 4th Chamber, December 3, 1985, PIBD 1986-388-III-130).

1.21 Are (i) preliminary, and (ii) final injunctions available, and if so, on what basis in each case? Is there a requirement for a bond?

Preliminary injunctions may be granted on the merits prior to trials (Article L615-3 of the IPC), if the plaintiffs establish that infringement is plausible. Successful plaintiffs are very commonly granted injunctive relief based on the merits. Under French practice, injunctive relief is granted under penalties for every day of the delay, or per infringement to the injunction with the benefit of immediate execution (there is no suspension of the injunction even if an appeal is lodged).

The court may require a bond based on its sovereign appreciation of the case. Such requirement is not automatic.

1.22 On what basis are damages or an account of profits assessed? Are punitive damages available?

As a matter of principle, damages tend to repair the damage resulting from the infringement. Their assessment will determine whether the plaintiff is entitled to lost sales or to a “licence fee”, depending on whether the patent is used. In any case, upon the plaintiff’s request, the jurisdiction may allocate a lump sum, which shall be no less than the royalty fee the infringer would have paid if he had been authorised to do so (Article L615-7 of the IPC). Furthermore, when assessing the damages, parties and jurisdictions must distinguish between the negative economic consequences to the patentee, the moral damage to the latter, and the profits made by the infringer (law n°2014-315 of March 11, 2014). The Paris Civil Court of First Instance, on May 18, 2017, RG 11/16313, took into account both the negative consequences to the patentee and the profits made by the infringer, but held that the compensation of the suffered damage cannot be calculated by an accumulation of the negative economic consequences and the profits of the infringer, which would be without a link to the damage and, by nature, punitive instead of dissuasive.

Punitive damages are not available.

1.23 How are orders of the court enforced (whether they be for an injunction, an award of damages or for any other relief)?

Once the order is pronounced, its execution depends on its service to the other party(ies) and, in first instance proceedings, on whether it has been ordered for immediate execution. When that is the case, the beneficiary may ask a bailiff to seize the other party's assets to recover the allocated damages. Regarding injunctions, should the other party not comply with them, the beneficiary may request to the competent court (either the Court that granted the order or the Execution Court) the liquidation of the penalty and its increase.

1.24 What other form of relief can be obtained for patent infringement? Would the tribunal consider granting cross-border relief?

In a successful infringement action, the patent owner will also most often be granted the publication of the ruling (i.e. in newspapers, magazines, the defendant's website), and, if appropriate, the recall of the goods, the destruction of infringing goods, or of the machinery used to produce them. The CJEU has allowed indirect cross-border relief in *Solvay v. Honeywell Companies* (case C-616/10) where it admitted, regarding provisional measures, that national courts can grant pan-European preliminary injunctions.

1.25 How common is settlement of infringement proceedings prior to trial?

It is common for both parties to reach a settlement of infringement proceedings prior to trial.

1.26 After what period is a claim for patent infringement time-barred?

Before law n°2014-315 of March 11, 2014, the period was three years from the last infringement; it is now five years.

Under Ordonnance n°2018-341, which will go into effect when the Unified Patent Court (UPC) Agreement comes into force, it will be five years from when the rights-holder knew, or should have known, the facts that would allow a claim to be brought. The law does not currently acknowledge awareness.

1.27 Is there a right of appeal from a first instance judgment, and if so, is it a right to contest all aspects of the judgment?

An appeal may be filed within one month from the notification of the decision. A two-month extension to this deadline is granted to parties located outside of France. After a formal appeal, the appellant must present its motives within three months. In practice, most appeals cover the right to contest all aspects of the judgment. Once the appeal is filed, the non-appealing party may also contest the first instance ruling within the appeal proceedings. From September 1, 2017, appeal declarations must specify their scope and be fully substantiated by submissions within a one-month or three-month deadline depending on the type of proceedings. The other party to the appeal must reply within the same deadline.

1.28 What are the typical costs of proceedings to first instance judgment on (i) infringement, and (ii) validity? How much of such costs are recoverable from the losing party?

There are attorney fees for requesting seizure orders, bringing actions, presenting court petitions, pleading cases, and counselling clients. For first instance proceedings, these fees range from EUR 25,000 to EUR 100,000 or more, depending on the case.

In most cases, there are also fees for patent experts (*conseils en propriété industrielle*), who will assist the attorney and the bailiff during both the seizure and the infringement proceedings. These fees are from EUR 30,000 to EUR 150,000 or more, depending on the issues raised in the case.

There are bailiff fees of at least EUR 2,000 for performing the seizure and EUR 200 for executing the decision (notification, seizures of accounts, etc.). The first instance legal costs range from EUR 200 to EUR 2,000.

There may be expert fees if the court appoints an expert. These fees range from EUR 10,000 to more than EUR 100,000 in cases involving complex technologies.

As a matter of principle, the losing party has to pay the other party's legal costs and attorney fees (increasingly, French courts grant a lump sum for attorney fees close to the fees justified by produced invoices). In certain cases, the judge may not order compensation for the fees and expenses to the other party if the judge decides to take into account the losing party's economic situation, or decides such payments would not be fair.

1.29 For jurisdictions within the European Union: What steps are being taken in your jurisdiction towards ratifying the Agreement on a Unified Patent Court, implementing the Unitary Patent Regulation (EU Regulation No. 1257/2012) and preparing for the unitary patent package? Will your country host a local division of the UPC, or participate in a regional division? For jurisdictions outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your jurisdiction?

France participates in the enhanced cooperation on Unitary Patent Protection, which results in a Unitary Patent. The Agreement on a Unified Patent Court was ratified on March 14, 2014. The Central Division of the Unified Patent Court will sit in Paris and hear cases under the competence of other divisions, as well as cases on transporting, textiles paper, fixed constructions, and electricity. It has been said, off the record, that the exact location for the Central Division in Paris has been identified.

France will also host a local division in Paris, but does not have a confirmed location yet.

2 Patent Amendment

2.1 Can a patent be amended *ex parte* after grant, and if so, how?

Since the law of August 4, 2008, the patentee may limit patent claims before the French Patent Office (INPI) at any time by filing a request and paying the relevant fees (EUR 260 – reduced fees of EUR 130 for non-profit organisations and SMEs – in July 2017).

2.2 Can a patent be amended in *inter partes* revocation/invalidity proceedings?

French patent claims are solely amended before the INPI. European patent claims can be amended before the EPO. French and European patents can be totally or partially cancelled by French courts in *inter partes* invalidity proceedings. Also, as mentioned above, the patentee may amend its claims during the proceedings.

2.3 Are there any constraints upon the amendments that may be made?

Amended claims must be supported by the description and cannot be broader than initial claims.

3 Licensing

3.1 Are there any laws which limit the terms upon which parties may agree a patent licence?

While there are no specific requirements for patent licence terms, licence contracts must be in accordance with competition law. For instance, Article 2 of EU Regulation n°316/2014 on technology transfer agreements provides that the contract shall apply as long as the licensed technology has not expired, lapsed or been declared invalid.

3.2 Can a patent be the subject of a compulsory licence, and if so, how are the terms settled and how common is this type of licence?

While French law provides the possibility of compulsory licences, these licences are extremely rare. A compulsory non-exclusive licence may be requested at the court for patents that have not been used according to Articles L613-11 *et seq.* of the IPC. Also, the owner of a subsequent patent that cannot be used without the authorisation of the owner of a prior patent may request before the court a licence of the prior patent, to the extent necessary for exploiting the patent of which he is holder and in as much as that invention constitutes, with regard to the prior patent, substantial technical progress and is of considerable economic interest. Plant Variety Rights owners may also request a licence. *Ex officio*, patent licences may also be requested for public health reasons (Articles L613-16 *et seq.* of the IPC). There is also the possibility of *ex officio* licences for national defence requirements.

4 Patent Term Extension

4.1 Can the term of a patent be extended, and if so, (i) on what grounds, and (ii) for how long?

While there is no possibility of a patent extension, in practice, an invention may be protected for a longer term in France:

- if a European patent (EP) designating France is filed under the priority of a French patent (an addition to almost a year of protection); or
- by requesting supplementary protection certificates in the case of pharmaceutical specialities and plant protection products covered by a marketing authorisation.

5 Patent Prosecution and Opposition

5.1 Are all types of subject matter patentable, and if not, what types are excluded?

Article L611-10 of the IPC expressly states as patentable all new inventions implying an inventive step, and susceptible to industrial application, and that are not regarded as inventions, discoveries, scientific theories and mathematical methods, aesthetic creations, schemes, rules and methods for performing mental acts, playing games or doing business, programs for computers, or presentations of information (Paris Court of First Instance, March 19, 2010, RG 2008/01998: cancellation of a patent covering solely a method of presenting information; see also European Patent Convention, Article 52). These provisions apply only to the extent to which the patent relates to such subject matter. Thus, patents referring to computer programs may be valid (Paris Court of First Instance, November 20, 2007, PIBD-2007-867-III-59, regarding the patentability of a system of couponing including a computer program).

More precisely, Article L611-16 *et seq.* provides that methods for treatment of the human or animal body by surgery or therapy and diagnostic methods are not patentable. However, this rule does not apply to products, in particular substances or compositions, for use in any of these methods. Thus, very commonly, pharmaceutical patents are validated (Paris Court of First Instance July 10, 2010, RG 2008/16206).

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents? If so, what are the consequences of failure to comply with the duty?

No, there is not.

5.3 May the grant of a patent by the Patent Office be opposed by a third party, and if so, when can this be done?

French patents may not be opposed. European patents may be opposed up to nine months after the publication of their granting.

5.4 Is there a right of appeal from a decision of the Patent Office, and if so, to whom?

The Paris Appeals Court has exclusive jurisdiction for appeals regarding decisions from the public administration that delivers patents, also called the INPI. Decisions from the EPO may be appealed to the EPO Boards of Appeal. On April 25, 2017, RG 2016/11489, the Paris Appeals Court held in a matter regarding the revocation of a patent for late payment that legitimate excuses for such late payment have to be considered in relation to the patent-holder's situation, as opposed to in relation to the patent-holder's representative who received notifications from the Office. In such case, the patent may be restored considering that the patent-holder has legitimate excuses.

5.5 How are disputes over entitlement to priority and ownership of the invention resolved?

Article L611-8 of the IPC provides that where an application for the grant of an industrial property title has been made, either for

an invention unlawfully taken from an inventor or his successors in title, or in violation of a legal contractual obligation, the injured party may claim ownership of the application or of the title granted (see also European Patent Convention, Article 61). According to the IPC, actions claiming ownership shall be barred after five years from the publication of the grant of the industrial property title. The IPC also says that if the bad faith of the owner of the title at the time the title was granted or acquired can be proved, the time limit shall be five years from the expiry of the title.

5.6 Is there a “grace period” in your jurisdiction, and if so, how long is it?

Apart from the right of priority as set out in the Paris Convention, only in very specific cases will disclosure of an invention not invalidate a patent based on such invention. The relevant provisions are found in Article L611-13 of the IPC and Article 55 of the European Patent Convention.

Article L611-13 of the IPC provides that a disclosure of the invention shall not be taken into consideration in the following two cases:

- 1) if it occurred within the six months preceding the filing of the patent application; or
- 2) if the disclosure is the result of publication, after the date of that filing, of a prior patent application, and if, in either case, it was due directly or indirectly to:
 - a) evident abuse in relation to the applicant or his legal predecessor; or
 - b) the fact that the applicant or his legal predecessor had displayed the invention at an official, or officially recognised, international exhibition falling within the terms of the revised Convention on International Exhibitions signed in Paris on November 22, 1928. However, in the latter case, the displaying of the invention must have been declared at the time of filing and the proof furnished within the time limits and under the conditions laid down by regulation.

Article 55 of the European Patent Convention States that:

- “1) (...) a disclosure of the invention shall not be taken into consideration if it occurred no earlier than six months preceding the filing of the European patent application and if it was due to, or in consequence of:
 - (a) an evident abuse in relation to the applicant or his legal predecessor; or
 - (b) the fact that the applicant or his legal predecessor has displayed the invention at an official, or officially recognised, international exhibition falling within the terms of the Convention on international exhibitions signed in Paris on November 22, 1928 and last revised on November 30, 1972.
- 2) In the case of paragraph 1(b), paragraph 1 shall apply only if the applicant states, when filing the European patent application, that the invention has been so displayed and files a supporting certificate within the time limit and under the conditions laid down in the Implementing Regulations.”

5.7 What is the term of a patent?

The term of both French and European patents is 20 years from the date of the application.

6 Border Control Measures

6.1 Is there any mechanism for seizing or preventing the importation of infringing products, and if so, how quickly are such measures resolved?

EU Regulation n°608/2013 harmonised and set the conditions for seizures by customs authorities of infringing goods entering the EU. Customs agents may act upon the patentee’s request or during customs control (in which case the patentee has four business days from the notification to present a request). Once goods are seized, the patentee must introduce proceedings to seek whether intellectual property rights are infringed within 10 business days (three business days in case of perishable goods). Then, regular proceedings will follow. These regulations also provide possibilities of destruction of goods by customs in case of consent of the owner of the goods or in case of small consignments. Similar provisions are found in French law regarding goods circulating within the EU.

7 Antitrust Law and Inequitable Conduct

7.1 Can antitrust law be deployed to prevent relief for patent infringement being granted?

EU competition law has established the principle of exhaustion of right that has limited the scope of patent rights and led to Article L613-6 of the IPC. Also, several copyright law cases have generated the “essential facilities” doctrine, limiting intellectual property rights that could be applied to patent cases. We are not aware of rulings on the merits from the Paris courts implementing such theory in patent cases, even if it has been debated in cases we have worked on. Regarding the interim, a pre-trial judge has refused to grant an interlocutory injunction in a case involving essential patents and contractual negotiations between parties considering that a prohibition order may distort contractual negotiations (Paris CFI, 3rd ch. 2nd s. case management order, November 29, 2013, RG 12/14922). In the same way, the European Commission decided in the *Motorola* case (IP/14/489) that it was abusive for the patent-holder to both seek and to enforce an injunction on the basis of a standard essential patent against a party who had agreed to take a licence, and be bound by a determination of Fair and Reasonable and Non-Discriminatory (FRAND) royalties.

On July 16, 2015, in *Huawei Technologies Co. v. ZTE Corp.* (C-170/13), the European Court of Justice interpreted EU competition law provisions regarding patents essential to a standard. The Court interpreted Article 102 TFEU to not prohibit a patent owner from bringing an infringement action against the alleged infringer, and obtaining damages and seeking an injunction and the recall of infringing products as long as:

- “prior to bringing that action, the proprietor has, first, alerted the alleged infringer of the infringement complained about by designating that patent and specifying the way in which it has been infringed, and, secondly, after the alleged infringer has expressed its willingness to conclude a licensing agreement on FRAND terms, presented to that infringer a specific, written offer for a licence on such terms, specifying, in particular, the royalty and the way in which it is to be calculated; and
- where the alleged infringer continues to use the patent in question, the alleged infringer has not diligently responded to that offer, in accordance with recognised commercial practices

in the field and in good faith, this being a matter which must be established on the basis of objective factors and which implies, in particular, that there are no delaying tactics.”

Also, the Court held that in such circumstances: “Article 102 TFEU must be interpreted as not prohibiting [...] an undertaking in a dominant position and holding a patent essential to a standard established by a standardisation body, which has given an undertaking to the standardisation body to grant licences for that patent on FRAND terms, from bringing an action for infringement against the alleged infringer of its patent and seeking the rendering of accounts in relation to past acts of use of that patent or an award of damages in respect of those acts of use.”

7.2 What limitations are put on patent licensing due to antitrust law?

Limitations are found in the general EU provisions regarding non-discrimination and free movement of goods within the EU, as well as competition law issues from EU treaties. More specific competition rules are found in Regulation n°316/2014, which expressly prohibits pricing restrictions or limiting production (Article 4). In past years, the European Commission had sent a statement of objections in a case about essential patents involving Samsung, that has led to commitments to negotiate and not to seek injunctive relief. In late 2013, the European Commission also imposed fines in a well-publicised case regarding a generic medicine (fentanyl). On July 7, 2016, the ECJ ruled on patent licensing upon a referral from the Paris Appeals Court regarding patent licensing (case C-567/14). The Court held that Article 101 of the TFEU did not preclude “a requirement to pay a royalty for the use of a patented technology for the entire period in which that agreement was in effect, in the event of the revocation or non-infringement of a licenced patent, provided that the licensee was able freely to terminate that agreement by giving reasonable notice”. The Paris Court of First Instance has applied the teachings of this ruling in another matter in a judgment of January 12, 2017, RG 15/09231. On July 7, 2016, the ECJ ruled on patent licensing upon a referral from the Paris Appeals Court regarding patent licensing (case C-567/14). The Court held that Article 101 of the TFEU did not preclude “a requirement to pay a royalty for the use of a patented technology for the entire period in which that agreement was in effect, in the event of the revocation or non-infringement of a licenced patent, provided that the licensee was able freely to terminate that agreement by giving reasonable notice”. The Paris Court of First Instance has applied the teachings of this ruling in another matter in a judgment of January 12, 2017, RG 15/09231.

8 Current Developments

8.1 What have been the significant developments in relation to patents in the last year?

The five-year statute of limitation regarding patent invalidity claims has been on a prominent issue for the past couple of years. A ruling from the Paris Court of First Instance of March 16, 2017, RG 15/07920, held that the five-year period that bars a patent invalidity action starts at the time where the patent invalidity claimant knew or should have known that a patent may hinder the claimant’s

business. In that particular case, the patent invalidity claim was held inadmissible. A couple of months later, on June 8, 2017, in case 15-21357, the Supreme Court did not quash an appeals court ruling that had held that the statute of limitation had started from the filing of a trademark.

Also, a ruling by the Paris Court of First Instance on January 26, 2018, RG 16/04323, held that defendants in a patent infringement case are allotted a five-year period to prove the plaintiffs’ patent invalid, beginning on the day summons are served to the defendant.

On May 10, 2018, *Ordonnance n° 2018-341 du 9 mai 2018 relative au brevet européen à effet unitaire et à la juridiction unifiée du brevet* was published and will come into effect once the United Patent Court (UPC) Agreement is effective. The new law introduces several changes such as the time limit on when patent owners may bring suit, as mentioned in question 1.26 above. The law will also allow for the ability for double-protection by the French national patent and the UPC.

France will also mirror the UPC’s requirements on who may bring a patent infringement case in the French courts. Currently, only a patent owner and an exclusive licensee may bring suit, and the exclusive licensee may only do so if the patent owner does not, and as long as the licence does not state otherwise. The changes will allow an exclusive licensee to bring suit on his own, as well as to allow for non-exclusive licensees to do so.

Also, France has implemented the Nagoya Protocol on Access to Genetic Resources and set a system of mandatory authorisations and declarations when genetic resources are used.

8.2 Are there any significant developments expected in the next year?

The preparation and implementation of both the Unified Patent Court and the Unitary Patent, how the Court Registry will work, and opt-out possibilities, are major issues that will be closely followed by patent practitioners.

8.3 Are there any general practice or enforcement trends that have become apparent in your jurisdiction over the last year or so?

In May 2018, after a thousand years at l’Ile de la Cité, the Paris Court of First Instance moved to a brand new Renzo Piano building in a new neighbourhood on the outskirts of Paris.

Since the implementation of the Enforcement Directive, courts are more inclined to award higher damages and legal fees based on the invoices produced. It is also quite common for courts to order the recall of goods (Paris Court of First Instance, March 4, 2009, RG 2007/2589).

In addition, the recent case law of the Parisian courts shows that judges are increasingly awarding legal fees in relation to the real costs that have been borne by a party rather than symbolic sums, as has often been the case in the past.

Under French practice, defendants in patent infringement proceedings are filing more and more counterclaims based on the harm arising from patent infringement claims (*Cass. com.*, February 10, 2015, case 2013/20150).

**Catherine Mateu**

Armengaud Guerlain
12, avenue Victor Hugo
75116 Paris
France

Tel: +33 147 540 148
Email: c.mateu@armengaud-guerlain.com
URL: www.armengaud-guerlain.com

Catherine Mateu is a partner at Armengaud Guerlain, and a certified specialist intellectual property lawyer in Paris. She holds a postgraduate degree in French and European Business Law from the Université de Nancy II, an LL.M. in Common Law from the University of East Anglia, a DESS in Industrial Property from the Université de Paris II, and a DEA in Private International Law from the Université de Paris I. She is fluent in French, Spanish, English, and Basque.

Ms. Mateu is an active member of several intellectual property law associations, including the AIPPI and INTA, where she holds several committee leadership positions. She also frequently speaks at various intellectual property conferences.

Her practice serves clients ranging from inventors, non-profit organisations, and local start-ups to multinational corporations, and focuses on finding timely and cost-effective solutions to a wide array of patent, trademark, design infringement, and licensing matters.



Armengaud Guerlain, founded in 1993, is a law firm fully specialised in intellectual property (patents, trademarks, designs and models, and copyright) and the related issues of unfair competition, consumer law, advertising rights (particularly comparative advertising), and the Internet. Reflecting its well-recognised expertise, the firm has worked with a wide variety of French and international clients, from artists and inventors to blue-chip companies, governments, and state-owned enterprises. In addition to French, the firm's daily working languages include English and Spanish.

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59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: info@glgroup.co.uk

www.iclg.com