



ICLG

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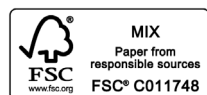
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General Chapters:

1	The Trade Secrets Directive – Harmonisation of Trade Secrets Law in the EU is on the Way –	1
	Robert Williams & Warren Wayne, Bird & Bird LLP	
2	Gulf Co-operation Council Countries – Patent Landscape –	5
	Sara Holder & Mohammad Jomoa, Rouse & Co. International/Kadasa & Partners	

Country Question and Answer Chapters:

3	Australia	Griffith Hack Lawyers: Wayne Condon	8
4	Austria	Fiebinger Polak Leon Attorneys-at-Law: Karina Hellbert	16
5	Brazil	Daniel Advogados: Rana Gosain & Rafael Cordoville Freire	22
6	Canada	Perry + Currier Inc.: Stephen Perry & Peter Bormann	29
7	Chile	Beuchat, Barros & Pfenniger: Andrés Melossi	35
8	China	Carroll, Burdick & McDonough LLP: Dr. Paolo Beconcini & Kelly Liu	40
9	Denmark	DELACOUR: Morten Bruus	46
10	France	Armengaud & Guerlain: Catherine Mateu	52
11	Germany	REIMANN OSTERRIETH KÖHLER HAFT: Klaus Haft & Tobias J. Hessel	58
12	Greece	Patrinos & Kilimiris: Constantinos Kilimiris & Tassos Kilimiris	64
13	India	Subramaniam & Associates: Hari Subramaniam	69
14	Ireland	Whitney Moore Solicitors: Aoife Murphy & Robin Hayes	76
15	Israel	JMB DAVIS BEN-DAVID: Jeremy Ben-David & Aaron S. Lewin	82
16	Japan	Anderson Mori & Tomotsune: Yasufumi Shiroyama & Makoto Ono	86
17	Liechtenstein	Patentbureau Paul Rosenich Inc: Dr. Joachim Frommhold & Paul Rosenich	92
18	Lithuania	AAA Law: Greta Obadauskaite & Otilija Klimaitiene	99
19	Mexico	OLIVARES: Alejandro Luna & Cesar Ramos, Jr.	105
20	Nigeria	Jackson, Etti & Edu: Uwa Ohiku & Toyosi Odunmbaku	113
21	Norway	Wikborg Rein: Ingvild Hanssen-Bauer & Lars Erik Steinkjer	118
22	Philippines	SyCip Salazar Hernandez & Gatmaitan: Enrique T. Manuel & Vida M. Panganiban-Alindogan	124
23	Romania	Cabinet Enpora Intellectual Property: Nicoleta Tarchila & Pop Calin Radu	130
24	Russia	Gorodissky & Partners: Nikolay Bogdanov & Olga Yashina	135
25	Saudi Arabia	Kadasa & Partners (in association with Rouse & Co. International): Sara Holder & Mohammad Jomoa	141
26	Serbia	LAW OFFICE POPOVIĆ, POPOVIĆ, SAMARDŽIJA & POPOVIĆ: Lidija B. Djerić	147
27	South Africa	Adams & Adams: Russell Bagnall & Alexis Apostolidis	152
28	Sweden	Synch Advokat AB: David Leffler & Elisabeth Sundberg	160
29	Taiwan	TIPLO Attorneys-at-Law: J. K. Lin & H. G. Chen	165
30	Thailand	Tilleke & Gibbins: Nandana Indananda & Siraprapha Rungpry	172
31	Turkey	Gün + Partners: Selin Sinem Erciyas & Filiz Toprak Esin	178
32	Ukraine	AEQUO: Oleksandr Mamunya & Nataliya Dryuk	185
33	UAE	Rouse & Co. International: Sara Holder	191
34	United Kingdom	Bird & Bird LLP: Neil Jenkins & Audrey Horton	196
35	USA	Kirkland & Ellis LLP / Spence PC: Eugene Goryunov & William Cory Spence	204
36	Vietnam	Pham & Associates: Pham Vu Khanh Toan	210

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France

Armengaud & Guerlain

Catherine Mateu



1 Patent Enforcement

1.1 How and before what tribunals can a patent be enforced against an infringer?

While patent infringements may be both a civil tort and a criminal offence, civil courts judge almost all patent infringement cases. 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. Before this date, 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 What are the pre-trial procedural stages 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-authorised 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...) – other than employees of the plaintiff. 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 in 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 evidence pieces in the pre-trial preliminary proceedings and the defendant must file a response. In certain cases, an expert may be appointed by the court. 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. In straightforward patent infringement cases, pre-trial proceedings last from 12 – 18 months.

1.3 Can a defence of patent invalidity be raised and if so how?

Patent validity can be challenged in an enforcement action as a counterclaim or in separate proceedings before the same court.

1.4 How is the case on each side set out 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. In matters involving complex technologies, a technical expert may be appointed by the court. In any case, the plaintiff must clearly show the infringement.

1.5 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 evidence pieces 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.

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.

1.6 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.

1.7 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, but these judges do not have a technical background.

1.8 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).

1.9 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

While there are no discovery proceedings under French law, based under general civil law, a pre-trial judge may order the production of documents. 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 any legally permissible preparatory inquiries (law n°2014-315 of March 11, 2014).

1.10 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.

1.11 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 using the product obtained directly by a process which is the patent subject matter or importing or stocking for such purposes, shall be prohibited.

1.12 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).

1.13 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.

1.14 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).

1.15 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 5-ter, 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).

1.16 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

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).

1.17 On what basis are damages or an account of profits estimated?

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).

1.18 What other form of relief can be obtained for patent infringement?

In a successful infringement action, the patent owner will also most often be granted the publication of the ruling (i.e. newspapers, magazines, the defendant’s website), and, if appropriate, the recall of the goods, the destruction of infringing goods, or of machinery used to produce them.

1.19 Are declarations available and if so can they address (i) non-infringement and/or (ii) claim coverage over a technical standard or hypothetical activity?

Declaratory non-infringement proceedings may be initiated (see question 1.8).

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

Before the law n°2014-315 of March 11, 2014, it used to be three years from the last infringement. Now it is five years.

1.21 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 the aspects of the judgment. Once the appeal is filed, the non-appealing party may also contest the first instance ruling within the appeal proceedings.

1.22 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 a couple of thousand euros for performing the seizure and a couple of hundred euros for executing the decision (notification, seizures of accounts, etc.). The first instance legal costs range from a couple of hundred euros to a couple of thousand euros.

There may be expert fees if an expert is appointed by the court. 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 (more and more 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.

1.23 For countries within the European Union: What steps are being taken in your country towards ratification, implementation and participation in the Unitary Patent Regulation (EU Regulation No. 1257/2012) and the Agreement on a Unified Patent Court? For countries outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your country?

France participates in the enhanced cooperation on the 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 the cases under the competence of other divisions as well as the cases about transporting, textiles paper, fixed constructions, and electricity.

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 in July 2015).

2.2 Can a patent be amended in *inter partes* revocation 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.

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 the EU Regulation n°316/2014 on technology transfer agreements provides that the contract shall apply as long as the licenced 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 of 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 shall not be 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, Articles L611-16 *et seq.* provide 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 European Patent Office (EPO) may be appealed to the EPO Boards of Appeal.

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 country and if so how long is it?

Apart from the right of priority as set in the Paris Convention, only in very specific cases disclosure of an invention will 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 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 22 November 1928 and last revised on 30 November 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 Regulations 608/2013 and 609/2013 have 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 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 has 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.

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 the past year, the European Commission has 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 has also imposed fines in a well-publicised case regarding the generic medicine (fentanyl). There is a pending referral before the ECJ (case n°C-170/13) that should set the standards for offers to contract regarding essential patents.

8 Current Developments

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

In patent infringement cases, patentees are allowed more broadly to request patent limitations.

In *Genetech Inc. v. Sanofi-Avantis*, Paris Court of Appeal, Sept. 23, 2014, n°13/09296, the Court deferred to the European Court of Justice (Case n°C-567/14) in this international arbitration case to determine whether “the provisions of Article 81 of the Treaty (now Article 101 TFEU) must be interpreted as precluding effect being given, where patents are revoked, to a licence agreement which requires the licensee to pay royalties for the sole use of the rights attached to the licensed patent”. This case is still pending in front of the ECJ.

The French Supreme Court has decided in a Supplementary Protection Certificate (SPC) case that *ex parte* measures may be granted only if it is not possible to obtain a ruling, following *inter partes* proceedings. This is not the case when the damages may be repaired by monetary indemnification (Cass. Com. Sept. 16, 2014, n° 13-10189).

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”.

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 are major issues that will be closely followed by patent practitioners. Currently, the Rules of Procedure of the Unified Court are being drafted.

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

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

Also, the recent case law of the Parisian courts shows judges award legal fees more and more in relation to the real costs that have been borne by a party and not symbolic sums, as it has often been the case before.

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 n°2013/20150).



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