

INTERNATIONAL PANEL DISCUSSION : FRANCE

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I. TRANSBORDER INJUNCTIONS IN THE FRENCH COURTS (THE RECOGNITION AND ENFORCEMENT OF FOREIGN DECISIONS ORDERING CESSATION OF PATENT INFRINGEMENT)

1. In today's international economy, the patent owner's task in preventing patent infringement is not easy where this extends over several countries.

International systems for the registration and grant of patents such as the PCT and the European patent have been introduced with great success.

However, as yet, there is no organised judicial system at a multinational level concerned with acts of patent infringement.

2. In order to fill the gap, practitioners have of course found efficient, rapid and economic methods to prevent multinational infringement.

One of the best methods is certainly to attack the infringement at its source in its country of origin.

But this is not always possible, since the infringing production may take place in a country where the patent is not in force, or where the legal and practical means for dealing with the infringement are insufficient.

3. As a result, in many cases it is necessary to commence proceedings in each country where infringing goods are sold.

Such action is complicated and expensive; and it is therefore not surprising that a number of patent owners have attempted to bring proceedings in one country in respect of infringing acts committed in a number of countries.

4. In Europe, the Dutch courts have appeared as particularly willing to accept such applications, and on several occasions have ordered the cessation of infringing acts occurring in several countries.

The question has arisen in the French Courts concerning the extent to which such decisions could be recognised in France.

This would now appear to be the case¹.

This has raised eyebrows amongst those lawyers and academic writers in favour of strict national enforcement of industrial property rights and who are opposed to the recognition of jurisdiction of a foreign court to deal with infringement of a French patent (1.)

However the decision will not come as a surprise to specialists of European litigation since, within the scope of the claims submitted to the Court, it adopts the traditional approach of the rules of the Brussels Convention of 27th September 1968 on the recognition and enforcement of judgements in civil and commercial matters (2.).

The practical question arising is to know whether litigants will not be encouraged to take proceedings in the Hague in respect of infringement of French patents (3.).

¹ Court of Appeal of Paris, 28 January 1994, EUROSENSORY/TIEMAN, Appendix A

1. THE JURISDICTION OF FOREIGN COURT IN RESPECT OF INFRINGEMENT OF A FRENCH PATENT BY VIRTUE OF THE SUBJECT MATTER OF THE CLAIM

5. As regards the question of jurisdiction based on the subject matter of the claim, the case of EUROSENSORY/TIEMAN of 28th January 1994 appears to be the first published decision which implicitly recognises the jurisdiction of a foreign court to deal with infringement of a French patent, or at least to order cessation on a provisional basis.

It is well known that until then the French Courts had decided on several occasions that their jurisdiction to deal with infringement of a French patent excluded the jurisdiction of foreign courts².

There is little recent case law for an essentially practical reason : in proceedings for patent infringement, the defendant usually raises the preliminary objection that the patent relied on is a invalid.

In such a case it is widely accepted that, in contrast with infringement, the question of validity of a French patent can only be dealt with by the French Courts.

This rule is even expressly stated in Article 16-4 of the Brussels Convention of 27th September 1968 which provides that in proceedings concerned with validity of patents, the Courts of the States concerned will have exclusive jurisdiction.

The reason for such a rule is generally found in the intervention of the State in the grant of the patent, as well as public policy issues and the territorial nature of the right granted.

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See J.B. BLAISE and J.P. STENGER, *Jurisclasseur Droit International* Fasc. 563A, 1er cahier C n° 18 namely TGI Paris, 4 May 1971 YEMA/GENNY, *Revue Critique de Droit International Privé* 1974, 110, note

Perhaps one day this rule should be reconsidered.

In all cases where the defendant raises the issue of the nullity of the French patent, the plaintiff who has issued proceedings abroad will run a substantial risk that the foreign Court will decline jurisdiction on such a preliminary question, or if that is not the case, that the decision of the foreign court may not be recognised by the French courts for the purposes of enforcement.

The foreign court which has jurisdiction to deal with the infringement claim should normally stay the proceedings until the French courts have decided the question of the validity of the French patent.

As a result, instead of simplifying the proceedings they will have become considerably more complicated.

This practical obstacle is the main reason why there are almost no foreign proceedings for infringement of French patents (and reciprocally almost no such procedures in France for infringement of foreign patents).

However cause and effect should not be confused.

No serious theoretical reason has ever been advanced in favour of the exclusive jurisdiction of the French courts to deal with claims concerning infringement of French patents.

It should be added that in the European context, the drafters of the Brussels Convention of 27th September 1967 indicated that *'as regards other actions including actions concerning infringement, the general rules of the Convention are applicable'*³.

It should therefore be emphasised that there is no longer any legal reason to prevent the owner of a French patent (or a European patent applicable to France) commencing proceedings in a foreign court where he considers it appropriate and where the foreign court will accept jurisdiction.

The recognition of such a foreign judgement could not be refused simply because it dealt with infringement of a French industrial property right.

³ JENARD report about Brussels Convention quoted by C.J.C.E., 15 November 1983, DUIJNSTEE/GODERBAUER, *Revue Critique de Droit International Privé* 1984, 361, comments G. BONET

2. APPLICATION OF THE RULES OF JURISDICTION OF THE BRUSSELS CONVENTION

6. The recognition of the jurisdiction of a foreign Court to deal with the infringement of a French patent is the logical result of Community law, by virtue of the rules of jurisdiction stated in articles 2, 5-3 and 6-1 of the Brussels Convention of 27th September 1968 on the recognition and enforcement of judgement in civil and commercial matters.

7. Article 2 of the Brussels Convention lays down the principle that the defendant resident in a European country should be sued in the Courts of that state.

Thus a German defendant in proceedings for infringement of a French patent may and even should, be sued in the German courts in the absence of any contrary provision.

8. However article 5-3 of the Convention offers the Plaintiff an alternative head of jurisdiction in favour of the Court of the place where the harmful event occurred.

There is of course substantial academic writing and case law concerning the definition of "*harmful event*", particularly concerning crossborder pollution.

In truth, most European defendants are sued in the French Courts for infringement of French patents on the basis of an implicit application of this article.

The infringement implies that there has been a material act committed in France, at least in certain respects in such a manner that any infringement of a French patent, ipso facto gives the French courts jurisdiction - under article 5-3 of the Convention.

It might have been thought that such jurisdiction was in a certain manner be extended to connected claims.

Where a court has jurisdiction on the basis of a harmful event, claims may also be made in that court in respect of other harmful events which are connected by a sufficiently close causal link.

For example where there has been infringement of a Dutch patent, (or the Dutch part of a European patent) by definition in The Netherlands, such infringement will provide the basis of jurisdiction of the Dutch courts in respect of infringement of foreign patents corresponding to the Dutch patent concerned, even though such infringement will by definition, for the most part, have occurred outside The Netherlands.

This is in any event the position adopted by the Dutch Supreme Court (the Hoge Raad) concerning trademarks⁴.

This case law has been extended by the President of the local Hague Court to cover patents.

⁴

INTERLAS/LINCOLN, 24 November 1989 NJ 1992/404

Under Dutch law, the latter judge has a nation-wide jurisdiction to deal with such matters ; and has accepted jurisdiction on a number of occasions to deal with claims involving not only infringements of Dutch patents, but also claims concerning infringement of the corresponding foreign patents⁵.

9. It may be asked, however, whether the decision in the case of Fiona SHEVILL/PRESSE ALLIANCE handed down on 7th March 1995 by the European Court of Justice has not brought that line of cases to an end.

The decision was rendered by the full Court, and established a distinction for the purposes of applying the concept of the place where the harmful event occurred.

The decision was rendered in a case of defamation committed by means of a press article published in several member States of the European Union.

The European Court decided that :

- the Courts of the country where the publisher is established have jurisdiction to order payment of the full amount of the damages arising in all countries where the defamation was committed,
- the Courts of the other countries, where the defamatory matter was published, would only have jurisdiction in respect of the damages arising in their own country.

5 PHILIPS/HEMOGRAM, President of The Hague Court, 30 December 1991, quoted by S. de WITT, in "*The Dutch Court - Injunctive hell for cross-border infringers ?*" Patent World, October 1993, page 19

When applied to infringement of patents, this decision will require the Dutch Courts to revise their case law, at least in cases where the Brussels Convention is applicable.

It will continue to be possible to issue proceedings in the Dutch Courts against a defendant established in the Netherlands (manufacturer or distributor) for purpose of obtaining an order preventing them from continuing the alleged infringement not only in the Netherlands but also in all other countries where there is a patent.

On the other hand, following the innovation apparently introduced by the European Court in its decision of 7th March, it would appear to be no longer possible to sue a defendant which is not established in the Netherlands, but which is established in a country which has ratified the Brussels Convention, for the purpose of obtaining a transborder injunction, since the jurisdiction of the Dutch Courts would be limited in such cases to the Netherlands only.

One should however consider to what extent the solution adopted by the European Court of Justice in its decision of 7th March 1995 in the case of Fiona SHEVILL/PRESSE ALLIANCE (supra) as to applicability of article 5-3 of the Brussels Convention, will not have an effect on the interpretation of article 6-1 of the Convention.

The extension of jurisdiction under article 6-1 of the Convention where there are a number of defendants should not reasonably enable avoidance of the restriction imposed on too extensive an interpretation of article 5-3.

In substance, the fact of bringing proceedings against the local Dutch distributor of an allegedly infringing product manufactured in France by a French manufacturer, should not enable the Dutch Courts to issue a transborder injunction against the French manufacturer.

This is the result of the decision of 7th March 1995 where the French manufacturer is the only person sued.

It should also apply where it is a co-defendant with the Dutch distributor.

10. It will thus be seen that there are a number of procedural techniques which enables parties to indulge in forum shopping in relation to patent infringement.

In effect, the combined use of article 2, 5-3 and 6-1 of the Brussels Convention will very often enable a party to choose between several courts each having jurisdiction, where the infringement is occurring in several countries.

However, since the choice of the courts of any country may be dictated by a consideration of its case law, the freedom of choice may not be unlimited.

3. "EURO-INJUNCTIONS" : DO ALL ROADS LEAD TO THE HAGUE ?

11. Although the substantive law of patents within the countries of the European Union has been very fully harmonised, and the system for the issue of the European patent has encountered a resounding success, the same does not apply to the legal procedures intended to put an end to infringement.

In fact, such procedures remain subject to the national laws of each member state, and will remain the same even if the Community patent with its specific appeal court 'COPAC' come into being.

The influence of national procedures will thus continue to be substantial.

This is the reason why there are such major differences in the methods of proof and the rigour of sanctions.

The system of discovery and cross-examination as a means of establishing proof are seen by lawyers of the common law system as the guarantee of the remarkable quality of the English system of justice; but is held by continental lawyers in the same reverence as for the finish of the best English motor cars: respect tinged with fear as to the price.

From their side of the Channel, our English friends regard our rapid and energetic French proceedings for seizure in infringement matters as they would our plates of frogs' legs: more with fear than envy.

In the north of Europe, where the law is taken very seriously, and where an infringing machine improperly presented at a trade fair, can be put under tarpaulin overnight, some lawyers consider that the procedures used in countries bordering the Mediterranean are somewhat easy going, particularly where the systematic use of experts does not enable remedies to be obtained rapidly.

12. Such disparities have encouraged industry to adopt appropriate strategies in legal proceedings for the protection of patents.

The temporary injunction ordering cessation of infringement has been the field of extensive manoeuvres.

In most industrial countries, proceedings for infringement of patents last several years, during which the defendant is not obliged to cease infringing acts subject of the proceedings.

Ways have always been sought to obtain cessation of the infringement by more rapid means.

The French Courts have never been led to exercise, in this field, the general powers to order cessation of infringement, which they have under article 809 of the New Code of Civil Procedure, in the most flagrant cases, in order to prevent those acts which are the most obviously illegal.

It is of course true that the solution in patent infringement cases is very rarely 'obvious'.

The Law n° 84-500 of 27th June 1984 therefore established a special procedure, which was made easier by Law n° 90-1052 of 26th November 1990, and which is now set out in article L 615-3 of the Intellectual Property Code⁶.

⁶ Michèle LESAGE CATEL LEGRAND

However the Courts have not been particularly keen to bring these provisions into effect.

The frosty welcome with which the first applications were received did not encourage parties to use this procedure.

Out of about 30 applications made in 10 years, hardly more than five were granted⁷.

13. The position is different in other European countries, particularly in the Netherlands where injunction proceedings appear to be more widely accepted by the courts, and in practice by the President of the local court of The Hague, who has a national jurisdiction in this field.

This judge is particularly well informed of the differences in the case law of the French and Dutch courts since he has written that :

"Under the criteria applied by the Dutch courts, an injunction ordering the cessation of infringement may only be ordered where there is a substantial likelihood that the patent will not be cancelled by the Court seized of the substantive proceedings."

The French courts are apparently more inclined to refuse to grant such an injunction in view of the possible cancellation of the patent.

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TGI Paris (référé) 23 December 1985, PIBD 1986, n° 383, III, 46, Dossiers Brevets 1986. III.6, confirmed by Paris 27 November 1986, PIBD 1987, 406, III, 65 (UNION CARBIDE and VISCORA/VISCOFAN) ;
TGI Lyon (référé) 31 March 1987, RDPI 1987, 11, 74, confirmed by Lyon 10 December 1987 unpublished (FLONIC SCHLUMBERGER/IBERSEGUR) ;
TGI Paris (référé) 11 May 1990, PIBD 1990, 489, III, 670, Annales Propriété Industrielle 1990, p.63, (SEB/MOULINEX) ;
TGI Lyon (référé) 18 May 1993 unpublished, confirmed by Lyon 24 February 1994 unpublished (LOOK/WELLGO) ;
TGI Paris (référé) 23 May 1993 unpublished (L'AIR LIQUIDE/CAIR LGL & SAGAL)
two other cases have ordered the defendant to lodge a bond to be permitted to continue the allegedly infringing acts :
TGI Marseille (référé) 31 May 1991, Annales Propriété Industrielle 1991, p. 64 (RICARD/DENZER) ;
TGI Lyon (référé) 19 July 1991, PIBD 1992, 513, III, 2 (CANTENOT and STARVRAC/FALCOZ VIGNE and CELLIER)

This may be deduced from the very small number of temporary injunction applications (12 applications between 1984 and 1990, and 2 since the conditions for the grant of such injunctions were made easier at the end of 1990, whereas the average number of substantive proceedings is about 150 every year), and the very low success rate of such applications (3 injunctions granted).

This is in strong contrast with the position in the Netherlands where the number of temporary injunction proceedings is greater than the number of trials on the substantive aspects of the matter, and the success rate is higher than 60%⁸.

Contrary to the position in France, it is not necessary for substantive proceedings to be on foot.

14. It is not surprising therefore that patent owners are very likely to try to make an application for an injunction ordering cessation of infringement before a court which takes such a firm stand against infringers.

This is all the more so the case because as indicated above, the Dutch courts do not hesitate to prohibit infringing acts concerning a patent covering the Netherlands, but also in respect of patents in other countries.

Does this mean that the road to "Euro-injunctions" passes through the Hague?

It would doubtless be overstating the position because neither the Dutch nor the French courts would accept practices which had either the effect or object of by-passing the normal rules of procedure.

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Excerpt from the decision issued the 5 January 1993 by The Hague Court in the case 92/1181 RHONE POULENC RORER and SMITH, KLINE & FRENCH/PHARMACHEMIE, PROGRAPHARM, FRANCOCHIM, BIOSTABILEX URAP

15. The Dutch courts are fully aware that their rules are more favourable to patent owners than those of other countries.

This is clear from a statement in a decision of the Hague Court of Appeal :

"It follows from the above that the injunction subject of this application will be granted as regards the Netherlands.

It will also be granted for other countries where the patent is in force.

*The fact that a similar injunction could not be obtained as a provisional measure in such other countries is without effect where it may be supposed that the Defendant's activities do constitute an infringement in such countries and may be prohibited at least following the substantive proceedings."*⁹

The court remains however circumspect and has refused an injunction application where it would only have related to France:

"The injunction application should also be rejected due to the fact that the applicant has not applied to the relevant French Court for an injunction, as should have been the case, and where he had issued substantive proceedings in the French courts, and where there was no credible defence to the infringement.

*This is evidence that the applicant expected the application for an injunction to be rejected by the French court."*¹⁰

⁹ The Hague Court of Appeal, 3 February 1994, ARES SERENO/ORGANON

¹⁰ President of the Hague Court, 5 January 1993

The journey to The Hague will not therefore always be successful where it is seen only as a way of avoiding the ordinary rules of jurisdiction.

16. Will the French Courts refuse to enforce foreign decisions ordering the cessation of infringement?

The fact that the foreign decision was made in interlocutory proceedings does not conflict with French public policy rules.

Article 27-1 of the Brussels Convention of 27th September 1968, which enables the Court of the State to which an application for enforcement has been made to refuse enforcement where recognition is contrary to the public policy rules of such state, may always be invoked.

But it is difficult to see how the use of a specific type of proceeding in the country of origin in order to obtain the decision is, in itself, of such a nature as to conflict with public policy of the country, in this case France, where enforcement is sought.

17. However it should be recalled that the French Courts' freedom of action is limited by the provisions of articles 26 to 30 of the Brussels Convention when the time comes for recognition and enforcement.

In particular, except where this does not apply, the Court to which an application has been made for enforcement may not review the jurisdiction of the Courts of the State which have issued the judgement, since the rules concerning jurisdiction are not matters of public policy within article 27-1'.

As a result the defendant wishing to challenge the jurisdiction will be obliged to show his hand before the Court where he is first sued, since it will be too late to do so before the French Court to which an application for enforcement has been made.

This explains why no challenge was made before the Paris Court of Appeal in the EUROSENSORY matter.

18. In conclusion, it should be noted that in the present state of French law, cases involving patent infringement will not escape the ordinary rules of European law established by the Brussels Convention.

It is likely that there will be a certain development of "multinational" proceedings for injunctions for cessation of patent infringement.

However it would be reading too much into the above decision to think that "*forum shopping*" is likely to develop.

The European Court of Justice's decision of 7th March 1995 shows that the Courts will not accept procedural manoeuvres designed to avoid the natural rules of jurisdiction.

However it remains a fact that the firm approach of the Dutch courts in issuing orders for provisional measures intended to stop infringement may attract patent owners who are disappointed by the perhaps excessively circumspect approach of the French courts.

**DECISION OF THE PARIS COURT OF APPEAL
OF 28TH JANUARY 1994**

In the matter of :

- 1) EUROSENSORY S.A.
- 2) F.J. TIEMAN B.V.
- 3) BLIND EQUIPMENT EUROPE B.V.

By judgement of 17th August 1992, following an urgent inter partes hearing, the President of the local Court of the Hague decided two sets of proceedings between FJ. TIEMAN B.V. and BLIND EQUIPMENT EUROPE B.V. against KGS CORPORATION and EUROSENSORY, and in particular decided as follows :

- ordered KGS not to deliver to any third party (including EUROSENSORY) wherever in the world, except for Japan, braille cells, as referred to in the 'basic agreement' of 28th September 1991 ; and that any breach would render KGS liable to pay a fine by way of penalty ;
- ordered EUROSENSORY not to infringe EP237 090 in the countries indicated, and that any breach would render EUROSENSORY liable to pay a fine by way of penalty ;
- ordered KGS to comply with the agreement of 12th December 1991 with immediate effect, failing which it would be liable to pay a fine by way of penalty ;
- ordered enforcement notwithstanding any appeal.

The above orders were subject of appeal to the Dutch Court of Appeal.

By order 15th September 1992 the President of the Paris High Court (Tribunal de Grande Instance) declared the decision of the President of the local Hague Court of 17th August 1992 to be enforceable in France in accordance with articles 27 and 28 of the Brussels Convention of 27th September 1968 and the Luxembourg Convention of 9th October 1978.

EUROSENSORY applied for the latter order to be reviewed in accordance with article 36 of the Brussels Convention.

In its application for review, EUROSENSORY requested the Court to adjourn its application under article 38 of the Convention, pending the decision of the Hague Court of Appeal.

It also claimed that there was a reasonable doubt as to the outcome of its appeal, to the extent that KGS had possessed prior knowledge of the invention, enabling such company to reserve the right to claim ownership of EP 237 090 before the Dutch Court, and that TIEMAN had failed to establish the existence of the infringement.

It added that it was not possible under French law to obtain a temporary injunction under French law by way of urgent inter partes hearing, and that, as a result, the decision of the foreign Court is contrary to French public policy.

It claimed that it had not been in a position to properly present a full defence in the Dutch proceedings, since the judge had reversed the burden of proof.

It also claimed that KGS had issued proceedings claiming ownership of the patent on 27th May 1993.

As a secondary line of argument, EUROSENSORY requested the Court to require the respondents to the appeal to put up a security of ten million Francs as a condition precedent to the enforcement of the order of the President of the High Court (Tribunal de Grande Instance).

TIEMAN and BLIND EQUIPMENT EUROPE requested the Court to confirm the order subject of appeal and to order EUROSENSORY to pay 20000 F by way of legal costs under article 700 of the New Code of Civil Procedure (NCPC).

They opposed the application for the stay of the matter on the basis that such a stay is only appropriate where the party who applied for the stay had not been in a position to raise the matters relied on at hearing of the original application.

They claimed that the appellant was merely raising arguments that had already been rejected by the Dutch Court, and that EUROSENSORY is not entitled to rely on the proceedings for ownership of the patent issued by KGS, to the extent that such action was itself recommended by the foreign Court in its decision.

They further indicate that enforcement of a foreign decision may only be refused where the recognition of such decision is contrary to the rules of public policy of the State in which the application for recognition is made ; and that the rules governing the procedure of urgent inter partes hearings in patent matters were designed to assist patent owners and not the infringer.

They also reminded the court that the review of the substantive aspects of the foreign decision is not open to the Court to which an application for enforcement is made.

They therefore opposed any payment by way of security.

The Court held as follows :

On the application for a stay :

Whereas under Article 38 of the Brussels Convention The Court with which the Appeal is lodged may, on application of the appellant stay the proceedings if an ordinary appeal has been lodged against the judgement in the state in which the judgement was given or if the time for such an appeal has not expired.

Whereas the Court seized of an application opposing the enforcement of a judgement issued in another contracting state may only take into account, for the purposes of an application for a stay, the grounds that the party applying for the stay had not been able to put forward before the court of the originating state.

As a result a reasonable doubt about the result of an ordinary appeal made in the originating state is not sufficient to justify a stay.

Whereas in this case EUROSENSORY prays in aid the prior knowledge possessed by KGS, the doubt concerning the validity of the patent filed by TIEMAN, the absence of proof of infringement, the filing by KGS of a new patent concerning braille cells as well as the issue of proceedings in Holland claiming ownership of patent BE O237090.

Whereas however these matters have already been argued before the foreign court which deals with them in its judgement, particularly at points 5.9, 5.10 and 5.11.

Further the issue of proceedings claiming ownership of the patent by KGS after the judgement of 17 August 1992 cannot be treated as a new matter, to the extent that KGS had admitted in the Dutch proceedings that the patent was owned by TIEMAN and that the proceedings suggested by the foreign court have so far not been successful.

Whereas it follows that the appellant has not raised any new matters that it had been unable to submit to the foreign court and which would otherwise justify a stay.

The question of enforcement of the foreign decision in France.

Whereas the appellant, which has not contested the fact that the other conditions precedent to recognition and enforcement of decisions referred to at Articles 27, 46 and 47 of the Brussels Convention have been fulfilled, claims that recognition and enforcement of the judgement of 17th August 1992 would be contrary to French public policy to the extent that, firstly, French law does not permit in the judgement in respect of infringement or temporary injunction under the urgent inter partes proceedings and where secondly the foreign court had reversed the burden of proof.

Whereas however Euro sensory is trying to obtain a substantive review of the foreign decision on the basis of a possible reversal of the burden of proof, and this is prohibited by articles 29 and 34 of the Brussels Convention.

Whereas in addition it is not within the jurisdiction of this Court to decide whether the foreign decision is compatible with its own public policy but to check whether the recognition of such decision is likely to be contrary to such public policy Whereas in particular, aside from a review of the correctness of the application, article 27 of the Convention does not entitle the judge to review the foreign proceedings in the light of public policy in the state in which recognition is sought and it follows therefore that the appellant may not rely on the fact that in French law an injunction could not have been issued following an urgent inter partes hearing.

Whereas as a result the order subject of this appeal should be confirmed without it being necessary to require the provision of security by the two Dutch companies as a condition precedent to enforcement, since such an order would not be justified.

Whereas it is equitable in the light of economic conditions to make an order under article 700 NCPC in favour of Tieman and BEE.

Held :

- The stay is refused .
- The order appealed confirmed.
- The application for an order for security made by Euro Sensory is rejected.
- EUROSENSORY is ordered to pay to Tieman and BEE a sum of 15.000 FF under Article 700 NCPC.
- EUROSENSORY is ordered to pay Court costs.

II. PATENT INFRINGEMENT PROCEEDINGS IN FRANCE

1. A KEY DIFFERENCE BETWEEN FRENCH AND COMMON LAW PROCEEDINGS LIES IN THE EVIDENTIARY PROCESS

There is no discovery process in France. Each party decides which evidence is worth producing. As a result, the plaintiff cannot ask the defendant to produce information relating to the infringing product or process. Likewise, the alleged infringer cannot ask the plaintiff to produce prior art : he has to search himself for the information he needs to challenge the validity of the patent.

The use of witnesses or expert witnesses is exceptional.

To enable the plaintiff to collect the necessary material to prove infringement, the French Industrial Property Code (article L 615- 5) provides the patentee with the infringement seizure ("*saisie contrefaçon*") .

2. WHAT IS AN INFRINGEMENT SEIZURE ?

The infringement seizure does not consist in an injunction. It mainly permits a visit of the alleged defendant' s premises by a bailiff, ("*huissier*") , a public officer, whose statements are deemed authentic.

The public officer can be accompanied by a policeman, a patent agent chosen by the patentee, a photographer, an accountant or any other person whose skills may be useful (e.g. a computer expert if the seizure is directed toward information stored in a computerised information system).

The public officer writes down the description dictated by the patent agent of the infringing device.

He can take photos or video, if appropriate, look into the accountancy books, review the technical and commercial documents and make copies of the relevant documents.

The public officer can also buy samples.

3. HOW TO GET AN ORDER FOR INFRINGEMENT SEIZURE ?

The infringement seizure has to be authorised by the presiding Judge of the local Court of First Instance ("*Tribunal de Grande Instance*").

For this purpose, counsel for the patentee drafts and files a petition defining the exact scope of the authorisation requested.

Typically, the petition indicates :

- the persons authorised to assist the public officer (a policeman, a patent agent chosen by himself, a photographer...),
- the acts the public officer is authorised to perform (to be shown a machine, accountancy books, technical and commercial documentation, to make copies of some documents, to acquire some samples of the infringing product(s)...).

The filing of the petition is *ex parte* (the defendant is only informed of the Court order by the bailiff, upon his arrival to perform seizure).

Exceptionally, the Judge restrict the terms of the petition, for example by adding that the seizure has to be carried out by a given date, or conditioning his authorisation upon the payment of a bond by the petitioner.

But, usually, especially when the terms of the requested order appear reasonable, the Judge does not modify the petition.

Once the authorisation is obtained, the seizure is implemented under the conditions defined in the Court order.

It happens that the seized party objects to the seizure of some information alleged to be confidential.

In most cases, the dispute is solved by the appointment by the Court of an expert who is commissioned to listen to the parties and to sort out which documents (even confidential) are necessary to prove the infringement and which are not.

4. SCHEDULE OF EVENTS FROM THE COMPLAINT UNTIL THE TRIAL

The plaintiff serves a complaint on the alleged infringer within 15 days from the date of the infringement seizure.

The plaintiff has the complaint recorded in Court ; a Judge in charge of supervising the progress of the proceedings is appointed ; this Judge will fix the dates of the different steps of the proceedings, which are referred to hereafter.

The plaintiff produces evidence to support his complaint.

The defendant files an answer, which may include a counterclaim, and produces evidence to support his contentions.

The parties pursue their exchange until they consider the discussion exhausted, which means, practically, until one party does not ask to reply ; if the parties did not stop, the Judge would have power to declare the exchange closed.

The case is argued in Court.

For patent cases, the trial usually takes place between one to three years after the filing of the complaint.

The final oral hearing lasts between two hours and a whole day (2 days in exceptional cases) according to the difficulty of the issues.

5. THE TRIAL

The Court is a panel of three Judges, who are always professional Judges ; there are no jury in civil cases.

This hearing consists of two speeches : first the statement of the plaintiff's counsel and, afterwards, the statement of the defendant's counsel.

The Judges can ask questions or make comments if they wish to, but usually they intervene very little. There is no examination of witnesses. Usually, the parties are not invited to give explanations to the Court.

6. MOTION FOR PRELIMINARY INJUNCTION

The preliminary injunction was introduced in French Patent Act of January 2, 1968 by an amendment of June 27, 1984.

Since the amendment of November 26, 1990, the conditions for a preliminary injunction are, under article L 615-3 of Intellectual Property Code :

A prompt infringement suit : the plaintiff has to sue the alleged infringer without delay after he has become aware of the alleged infringement. The critical period of time seems to be, according case law, about six months.

Likelihood of success on the merits, which implies that neither the validity of the patent nor its infringement appear seriously challengeable.

Preliminary injunctions are not frequently granted.

7. REMEDIES

7.1. Permanent injunction

The patent holder has an absolute right to claim for a permanent injunction against the plaintiff. The Court cannot refuse to grant such injunction if it finds the patent valid and infringed. It is essential, however, to ask the Court to specify the injunction to be enforceable notwithstanding an appeal.

7.2. Monetary relief

Compensatory damages

Damages are calculated on a reasonable royalty basis if the plaintiff does not himself exploit the invention or if he did not have the ability to manufacture or sell the infringing products.

Otherwise, the patentee is entitled to an award of the profits he would have made but for the infringement.

Usually, the Court grants a provisional amount and appoints an official appraiser ("*expert*") who is commissioned by the Court to collect all the information needed to decide the damages.

This official appraiser has investigating powers not only to collect the figures and contentions of the parties but also to visit both parties.

He has access to their accountancy records.

In view of the report filed by the official appraiser, and after a further exchange of written pleadings between the parties, the Court decides the amount of damages.

Punitive damages

Double or treble damages do not exist in France.

The principle is that the plaintiff is entitled to recover all the damages sustained but no more.

7.3. Attorney fees

The Court usually grants the winner of the case an indemnity by virtue of article 700 of the New Civil Procedure Code.

This indemnity is supposed to compensate in part the winner's attorney fees but its amount, which is in the discretion of the Court, is always far lower than the actual fees.

Typical amounts range between FRF 10.000 and FRF 100.000, i.e. between £ 1.000 and £ 10.000.

8. APPEAL

The French appellate Courts review the whole case *de novo*.

The parties can rely upon new evidence and new arguments in support of their claims.

The schedule of events in the appellate Court is very similar to the schedule in a trial Court of First Instance (between 1 and 3 years).

9. SUPREME COURT ("*COUR DE CASSATION*")

The Supreme Court does not review the findings of facts of the appellate Court : it only reviews the application of law and the reasoning of the previous Judges.

Either the Supreme Court dismisses the action, and in this case the decision of the appellate Court remains ; or it cancels the decision of the appellate Court, and remands the case to an other appellate Court.

The Supreme Court usually decides the cases within two years from the date of the Court of Appeal decision.

TESTS FOR INFRINGEMENT IN FRANCE

Pierre VÉRON

I. VALIDITY AND INFRINGEMENT : ONE FORUM, A CONSISTENT APPROACH

When it has to decide an infringement complaint, a French Court is always empowered to decide, first, over the validity of the patent.

Invalidity defence is almost a rule in patent infringement suites ; defences based only on non-infringement are exceptional.

Validity and infringement are dealt with simultaneously by the parties in their written pleadings and during the oral statements.

This leads to a very consistent approach of validity and infringement : it is difficult, for example, to the patent owner to give a narrow reading of his patent to avoid prior art and to claim for a broad scope of his claims minutes later...

In the same manner, the Court decides on both validity and infringement in the same judgement (there is not first a decision on validity and, then, a decision on infringement).

French lawyers like saying that it gives the patent a scope of protection customised to the actual invention.

II. PURPOSIVE CONSTRUCTION : A SECULAR TRADITION

Literal and narrow construction of claims is not a French tradition.

It should be kept in mind that French patents include claims only since 1968 ; beforehand, the patent owner was permitted to seek protection for whatever was included in the patent specification, provided that it was new ; the Court had just to check that what was "claimed" in the suit was actually described in the specification ; such system has given an early tradition of purposive construction and of doctrine of equivalents.

III. VARIANTS, EQUIVALENTS, IMPROVEMENTS

Variants are always considered as infringements.

The Courts use to say "*infringement should be decided in considering similarities, not differences*" or "*infringement is the reproduction of the essential and characterising features of the invention.*"

Doctrine of equivalents has therefore always been part of French case law.

Two means are equivalent when, although of a different shape, they perform the same function to achieve a similar result.

This criterion is of daily use in patent infringement litigation :

" *two means of a different shape are equivalents when they achieve the same function, i.e. the same principal technical effect, to achieve a similar result...*".

Court of Appeals of Paris - 11 September 1996

SMBP v. NOVEMBAL

" the nut of the allegedly infringing device, although of a different shape of the patented screw, is a technical equivalent of this screw since it performs the same pressure function to achieve a result of the same nature."

Court of Appeals of Paris - 27 September 1996

SOFAMOR and COTREL v. JBS

" It cannot be disputed that the structure of the various elements of the patented device, on the one hand, and the allegedly infringing device, on the other hand, are different :

- patent covers a metal spike with a sharpened end,*
- allegedly infringing device is an hollow tube in which is inserted a rod, longer than the hollow tube, so that the sharpened end of the inner rod creates a sharpened end to the tube.*

However, those two systems perform the same function and achieve a result of the same nature"

Court of Appeals of Paris - 30 October 1996

NIJAL v. EMSSENS

Needless to say, French Courts do not always accept the equivalence :

" The means used by the defendant do not achieve the function of those described by the claim : the side walls of the allegedly infringing device do not reduce the distance between the conduits whereas the patented device purpose is to reduce the room occupied by said conduit".

High Court of Paris - 11 October 1996

ARMOR-INOX v. KAUFLEER

As the doctrine of equivalents is long established in French law, it does not raise any further academic discussion.

In comparison to what can be decided on the same topic in other countries, the following statements can be considered as reflecting the present state of the law in France :

- although the construction of claim is generally broad, the test of equivalence will probably be conducted on a claim element - by - claim element basis rather than on the accused process as a whole,
- "*prosecution history estoppel*" had not the same importance in France where the French Patent Office powers are quite limited ; the situation is probably different when considering a European Patent designating France,
- the equivalence is certainly not limited to what is disclosed in the patent itself ; nor is it limited to what was known at the time of the patent ; in other words, equivalency will be evaluated at the time of infringement.

Improvements are therefore considered as infringement when they embody the characterising features of the claim.

"Improvement is infringement" is a standard formula of the writers in this respect.

IV. PARTIAL INFRINGEMENT : WHERE DO WE STAND ?

French Courts are so eager to give a purposive construction of the claims that sometimes they go too far.

Partial infringement has been accepted by some Court decisions, even by the Supreme Court, in three instances (28 April 1987, MARCHAL¹ ; 19 February 1991, FICHET BAUCHE² ; 19 February 1991, LAFARGE³).

After much discussions, it seems now clear that partial infringement can be decided only when the patent has (improperly) put in a single claim several features which are not combined but merely juxtaposed.

In such a case, where the patentee should have put those elements in several claims, the French Courts accept to protect it when they are patentable per se.

On the contrary, it is now well established case law that when a patent claims - expressly or implicitly - a combination of features, there is no infringement when one of the main features is not reproduced.

¹ PIBD 87, 415.III.264

² PIBD 91, 503.III.391

³ PIBD 91, 504.III.430