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Luc Santarelli and Thierry Caen

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By Luc Santarelli and **Thierry Caen**, Santarelli

Q: What options are open to a patent owner seeking to enforce its rights in your jurisdiction?
The enforcement of patent rights essentially involves civil proceedings before the Paris Court of First Instance, which has exclusive jurisdiction over all patent litigation.

Q: Are parties obliged to undertake mediation/arbitration before bringing a case before the courts? Is this a realistic alternative to litigation?
No. It is usually in the patentee's best interests to proceed under an *ex parte* court order with an evidentiary infringement seizure operation, to prevent the infringer from concealing or disposing of evidence.

During the proceedings, the presiding judge may urge the parties to negotiate, but he or she cannot require or coerce the parties to negotiate or conduct alternative dispute resolution on the pending matter. To date, alternative dispute resolution is not generally considered an alternative to patent litigation.

Q: Are there specialist patent or IP courts in your jurisdiction? If not, what level of expertise can litigants expect from the courts?
French judges handling patent litigation are educated and trained as professional judges. They are well versed in IP law but have no technical qualifications.

French patent judges do not generally appoint external technical experts of their own volition. At either party's request, the patent judge may appoint a single technical expert to conduct experiments or otherwise evaluate technology in connection with the issues raised.

Q: Are validity and infringement dealt with together, or does your country have a bifurcated system?
Infringement and validity are usually judged in the same proceedings and there is a strong legal tradition behind this practice. When a nullity action is brought against a patent before an infringement action based on the same patent, both actions are generally joined.

Q: Who may represent parties engaged in a dispute?
The parties to patent litigation must be represented by barristers. Patent attorneys cannot represent a

party in legal proceedings or formally appear before the French courts.

Q: To what extent is pre-trial discovery permitted?

Traditionally, pre-trial discovery has been limited to the seizure of evidence, which can be ordered *ex parte* at the request of the party that believes that its rights have been infringed. It may be advisable to show that likely acts of infringement have taken place in France to have the court order granted. The scope of the evidentiary seizure order is usually broad enough to encompass both documents and physical evidence of infringement, including in relation to:

- the origin of the product or process;
- the customers;
- the purchase or sale price of the allegedly infringing product or process; and
- the manufacture or operation of the allegedly infringing product or process.

In addition, pursuant to the EU IP Rights Enforcement Directive (48/2004/EC), during litigation the court may grant orders for the production of information or documents relating to – for example – the channels of distribution of the infringing product or process and the quantities produced, sold or delivered by the defendant.

Q: Is cross-examination of witnesses allowed? If so, what form does this take?

French civil proceedings do not normally involve the hearing of witnesses. The Code of Civil Procedure provides for the hearing of witnesses within an inquiry ordered by the court at the request of one of the parties. However, these provisions are rarely used in patent matters.

Q: What use of expert witnesses is permitted?

Experts appointed by the parties may be relied on in respect of issues of fact or law. Their evidence is presented in the form of a signed expert opinion rendered at the request and expense of the party. The parties may also adduce expert legal opinion in proceedings to comment on the relevant case law or issues which are not fully settled in the case law. At the request of either party, the court may appoint an independent expert at the outset of the legal proceedings or at any time during the proceedings.

Q: Is the doctrine of equivalents applied by courts in your jurisdiction? If so, what form does this take?

The French courts liberally apply the doctrine of equivalents. According to French case law, two means having different structures are considered to be equivalent if they perform substantially the same function leading to substantially the same result. Thus, the scope of the claim may extend beyond its literal terms. The prior art limits the permissible extension of the scope.

The courts have recently exhibited a tendency to use a kind of prosecution estoppel in the application of the doctrine of equivalents to prevent the recapture of scope abandoned during examination.

Q: Are there problems in enforcing certain types of patents relating to, for example, biotechnology, business methods or software?

Business methods and software patents face the issue of whether the subject matter of the claims is excluded from protection under the law. This issue will arise in litigation where claims do not recite features that sufficiently set forth the technical nature of the invention. However, from a technical standpoint, enforcing patents on business methods and software is no more complex than those on other conventional technologies.

Biotech patents raise other problems. Certain legal issues are particular to biotechnology, but these have not been proven to cause difficulties for trial lawyers or the courts.

Q: To what extent are courts obliged to consider previous cases that have covered issues similar to those pertaining to a dispute?

French jurisprudence does not subscribe to the principle of legal precedent. The courts are empowered to apply and, where appropriate, interpret the law; they are not empowered to make the law. Accordingly, French court decisions are rulings on the merits of the facts of the particular case. The court is free to choose whether to follow or deviate from prior decisions.

However, first-instance courts tend to follow prior decisions of the appeal courts in order to avoid having their rulings reversed on appeal.

Q: To what extent are courts willing to consider the way in which the same or similar cases

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After a stint as a telecommunications engineer, Mr Santarelli joined the firm in 1980, where he specialises in patent infringement litigation. He assists clients in crafting IP strategies and handles patent infringement, know-how misappropriation and patent ownership, as well as oppositions before the European Patent Office. His clients include high-tech start-ups and major corporations across a wide range of fields, including telecommunications, electronics, software, semiconductors, microtechnologies and aeronautics.

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have been dealt with in other jurisdictions? Are decisions from some jurisdictions more persuasive that those from others?

Under the constitutional principle of judicial independence, French courts are not bound by decisions of foreign courts or by the European Patent Office (EPO). French judges often adhere to the principle of independence. In addition, there are no unifying EU regulations regarding how claims should be interpreted other than Article 69 of the European Patent Convention and the related protocol, which set out general principles on claim interpretation and give no guidance as to how the issue of infringement should be decided. However, in practice, French courts take into consideration foreign (mainly EU) decisions on the same issues, as well as evidence adduced in foreign proceedings.

Q: What realistic options are available to defendants seeking to delay a case? How might a plaintiff counter these?

The French rules of civil procedure apply international standards and resemble those of other civil law jurisdictions. A defendant may delay proceedings by requesting the appointment of a court expert on technical issues. The plaintiff can attempt to avoid delays in the proceedings by strictly complying with the court's pre-trial schedule for submissions.

When the patent at stake is under opposition

at the EPO, the defendant may request a stay of the proceedings until a definitive decision is rendered by the EPO. The plaintiff may oppose this request by showing that the patent is likely to be maintained at the EPO.

Q: Under what circumstances, if any, will a court consider granting a preliminary injunction? How often does this happen?

Following implementation of the EU IP Rights Enforcement Directive, it is possible to seek a preliminary injunction to prevent an imminent threat of infringement. In order to obtain a preliminary injunction, the plaintiff must establish that the evidence adduced makes it likely that the patentee's rights have been infringed. After some hesitation, the courts now must also consider the validity of the patent.

Previously, preliminary injunctions were granted in between 20% and 30% of cases. However, it is now more difficult to obtain them.

Q: How much should a litigant budget for in order to take a case through to a decision at first instance?

The litigation team usually includes a trial lawyer specialised in IP matters, who represents the parties before the court, and a patent attorney specialised in litigation, who handles the evidentiary seizure procedure and works with counsel to develop the strategy, legal arguments and written submissions.

The total attorneys' fees for the first-instance proceedings may range from €30,000 to €500,000, depending on the complexity of the technology and legal issues, and the parties' motivations.

Q: How long should parties expect to wait for a decision to be handed down at first instance?

A first-instance decision can be rendered in one to one-and-a-half years in the case of a nullity action, if the parties abide by the pre-trial schedule. Decisions in infringement cases can be rendered in one to two-and-a-half years.

Q: To what extent are the winning party's costs recoverable from the losing party?

The prevailing party has a right to compensation for its legal fees. Such awards can be quite substantial and may cover all of its expenses.

Q: What remedies are available to a successful plaintiff?

Remedies granted to the prevailing plaintiff in patent litigation include an injunction against making, selling and using the patented subject matter, and an award of damages for injury suffered by the plaintiff. An injunction will usually be granted with dissuasive penalty payments for each violation of the injunction.

Q: How are damages awards calculated? Are punitive damages available?

The courts can award damages for the injury that the plaintiff has suffered. Traditionally, this has been limited to a reasonable royalty basis where the plaintiff has not exploited the patented invention in France (ie, a royalty fee slightly higher than that which would be obtained through arm's-length negotiations).

If the plaintiff has exploited the invention in France, it will have a right to lost profits – generally, gross margins on lost sales of the patented product or process. Typically, the court will appoint an expert to advise on the appropriate compensatory royalty fee for, and the plaintiff's lost profits resulting from, the infringement. French law now also provides, pursuant to the EU IP Rights Enforcement Directive, that the court shall consider the negative economic consequences of the infringement as well as the infringer's profits.

Q: Under what circumstances might a court grant a permanent injunction? How often does this happen?

Injunctions are always granted to the successful plaintiff in patent litigation, provided that the patent is still in force. The injunction may be suspended pending appeal, but is now more often granted notwithstanding the appeal, in which case the plaintiff will bear damages caused by enforcement of the injunction award if the defendant's appeal succeeds.

Q: Does the losing party at first instance have an automatic right of appeal? If not, under what circumstances might leave to appeal be granted?

The losing party in patent litigation has a right of appeal before the first-instance court. Appeals are *de novo* proceedings, which give the parties the possibility of asserting new facts, arguments and grounds.

Q: How long does it typically take for the appellate decision to be handed down?
An appeal takes approximately the same amount of time as a first-instance decision.

Q: Is it possible to take cases beyond the second instance?
Court of appeal decisions may be brought before the Supreme Court (*Cour de Cassation*). However, the Supreme Court may refuse to hear a case.

Q: To what extent do the courts in your jurisdiction have a reputation for being pro-patentee?
French courts have long had a reputation of being pro-patentee. However, more recent trends show that they have become somewhat less so.

Q: Have courts in your jurisdiction handled cases relating to standard-essential patents and fair, reasonable and non-discriminatory licensing since the ECJ's *Huawei v ZTE* decision? If so, what have they decided?
To our knowledge there has been no relevant decision made by the Paris Court of First Instance since the *Huawei v ZTE* decision.

Q: If they have not handled such cases, how would you expect them to approach the issue?
To grant an injunction to a standard-essential patent (SEP) owner that has undertaken to grant a licence to third parties on fair, reasonable and non-discriminatory (FRAND) terms, the Paris Court of First Instance would be expected to apply the conditions set by the ECJ. In particular, before bringing the action, it would check whether the owner has specified the way in which the SEP has been implemented and verify both the FRAND nature of the owner's licence offer and whether the alleged infringer has responded diligently to that offer.

Second, pursuant to its jurisprudence (eg, *Core Wireless v LG*), the court would also require a complete and convincing demonstration that the concerned technical specification is mandatory and implements the SEP's asserted claims.

Q: Has your jurisdiction signed the Agreement on the Unified Patent Court? If so, when do you expect it to be ratified?
France ratified the Agreement on the Unified Patent Court on March 14 2014.

Q: Will your country play host to one or more divisions of the Unified Patent Court?
The central division will be seated in Paris, including a subdivision of the central division dealing with cases relating to electronics. Paris will also host a local division.

Q: Are there any other issues relating to the enforcement system in your country that you would like to raise?
France is an attractive forum for patent litigation: the evidentiary seizure procedure is cost effective and quick; while the Paris court has exclusive jurisdiction over patent litigation and highly specialised judges, promising quality decisions. There is also an effective preliminary injunction system. In addition, the French courts remain more pro-patentee than those of several other jurisdictions. *IAM*

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