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Patent litigation in France: the effective way of adducing evidence

By Luc Santarelli, Santarelli

Having a portfolio of well-drafted patents is essential, but when it comes to litigating them, the efficiency of the legal system is equally important.

One of the issues faced by patent owners in all jurisdictions is adducing proper evidence of infringement.

This chapter deals with a unique and cost-effective tool provided by French law for adducing evidence: the *saisie contrefaçon* or investigative infringement seizure.

An investigative infringement seizure is a fact-finding operation, conducted by a bailiff usually accompanied by a private practice patent attorney, authorised by a court order following an *ex parte* petition. The objective is to find and secure evidence of an alleged infringement.

The seizure is carried out on the premises of the allegedly infringing party or other third party, which cannot refuse access to its premises and must allow the bailiff to carry out its duties. This is provided for by the French IP Code.

Examples

The following examples illustrate the efficiency of investigative infringement seizures.

Glass manufacturer

In one example, a patent covering the process and tooling for conforming sheets of glass was allegedly being infringed. The bailiff – authorised by a court order obtained *ex parte* – accompanied by a patent attorney, a photographer and the police, entered the factory where the infringing articles were being manufactured. As a court order was in place, the factory management had no choice but to permit access to the manufacturing site. The allegedly infringing tooling and the

manufacturing processes were witnessed, described in writing and photographed by the bailiff assisted by the patent attorney. In this way, evidence of the reproduction of the tooling features and process steps claimed in the original patent was obtained. The court order also compelled the factory management to provide data on the number of products that had been manufactured in previous years. As a result of this procedure, which took place over one day, the infringement case had a solid foundation of evidence.

Active ingredient manufacturing process

Often, evidence of the manufacturing process of a drug is difficult to obtain. One particular issue is that active ingredients may be manufactured abroad (eg, in India) and then imported into France, where the pharmaceutical composition is manufactured. In one case, there was no way of obtaining the required evidence as to the manufacturing process of an active ingredient on the premises of the alleged infringer in France or abroad. The solution lay in conducting an investigative infringement seizure at the French Drug Agency, which grants pharmaceutical marketing authorisations. The judge authorised a bailiff and a patent attorney to search the marketing authorisation dossier. The dossier includes a restricted section which contains information on the process for preparing active ingredients. This is normally accessible only to the active ingredient manufacturer. As provided by the court order, the dossier, including the restricted section, was remitted to the bailiff who, with the help of the patent attorney, selected the information required to prove that the claimed manufacturing steps were being carried out by an

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Indian manufacturer. This investigative seizure at the French Drug Agency was challenged in court, but was upheld by the Paris Court of Appeal.

Recently, the Paris court authorised a bailiff to be assisted not only by a patent attorney, but also an IT expert to help to search an alleged infringer’s IT system. This enabled information to be found, which directly related to the infringement (eg, diagrams, product data and information on the number of allegedly infringing products that were sold).

Requirements

When a patent owner becomes aware of an infringement it can petition a court in an *ex parte* hearing to carry out an investigative infringement seizure. As the seizure is a powerful tool for patent owners, the law and case law set out stringent requirements:

- First, the petitioner must establish title and that the patent is in force or that the patent application is pending. The party to be subjected to the investigative infringement seizure and the location where the seizure is to take place must also be identified.
- The patent owner must explain to the judge the reasons why it believes the patent is being infringed. Any available preliminary evidence demonstrating that the patent is likely to have been infringed (eg, advertising and webpages) should be provided.
- The petitioner must then specifically state the scope of the authorisation required for the procedure. For example, if a search of the alleged infringer’s IT system is sought, this should be requested in the petition and keywords to be used for searching purposes should be carefully selected and listed.
- Generally, a petition should be drafted considering that although the bailiff has wide powers, freedom to search for evidence of infringement will be limited by the wording of the court order.

- Finally, the petition must be made in good faith and the patent owner must thus provide the judge with all information which may influence the assessment of the request. For example, this includes detailing whether:
 - there are any parallel ongoing litigations in other jurisdictions;
 - the patent or any of its foreign counterparts have been challenged;
 - decisions affecting the patent’s validity have been rendered; and
 - the patent has been subject to a licence agreement with the allegedly infringing party.

Obviously, preparing an infringement seizure petition requires some work in advance of an *ex parte* hearing. However, this work is ultimately worthwhile if the patent owner is granted permission to conduct an investigative infringement seizure.

Court order

If properly drafted, the court order – a draft of which is submitted by the petitioner – adopts the terms of the petition and takes into account the usual seizure practice. The court will check whether the above requirements have been met.

Among others, the following measures can be ordered:

- a detailed description of the allegedly infringing products or processes, with or without the seizure of samples;
- the physical seizure of allegedly infringing goods and documents relating thereto;
- the physical seizure of equipment or instruments used for the manufacture or for carrying out the allegedly infringing processes and any related documents;
- copies made of data recorded in the party’s IT system, insofar as they relate to the alleged infringement; and
- the seizure of allegedly infringing source code.

“The patent owner may need to ascertain how many infringing products have been manufactured or sold by the allegedly infringing party to specify provisional damages corresponding to sales”

According to Article R.615-2 of the French IP Code, a judge may authorise a bailiff to “make any finding useful for establishing the origin, nature and extent of the infringement”.

Searching for evidence

The search for evidence may be carried out on:

- the premises of the company manufacturing the product or carrying out the process (eg, laboratories, factories and warehouses);
- the premises of the company selling the product;
- the premises of the company using the product; or
- the premises of any company or body (eg, a drug agency) where proof of infringement can be found even if the party is not the suspected infringer.

If the bailiff finds an alleged infringing product, it must describe it with the assistance of the patent attorney. The description should be as neutral as possible and should not be presented in a biased way. Particularly, should there be a problem of equivalents, the bailiff and patent attorney should describe only what they see.

If the seized party’s representatives wish to make declarations during the descriptive seizure the bailiff must record them. The bailiff is authorised to ask questions, but the alleged infringer is not required to respond.

The bailiff can seize physical evidence of the infringement (eg, product samples). In such circumstances, payment must be offered.

With assistance from the patent attorney the bailiff may search and scrutinise technical documents (eg, drawings). The alleged infringer may attempt to prevent access to documents containing technical trade secrets; if this occurs, negotiations should take place between the bailiff and patent attorney and the representatives of



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the alleged infringer. Following negotiations, the alleged infringer may make declarations recorded by the bailiff to provide essential information, which means that a search for key information and access to disputed documents by the bailiff is avoided.

The bailiff leads the search for evidence with the help of the patent attorney (and the IT expert if present) until the required evidence is found or relevant declarations are made.

As to evidence of manufacturing, if the seizure is carried out in a factory, the bailiff must declare that manufacturing has been witnessed. If the

seizure is carried out elsewhere, documents evidencing manufacture at other facilities may be seized or copied. Again, the bailiff may record declarations by the seized party's representatives to this effect.

As to evidence of sale or offer for sale, this is often difficult to obtain except when the seizure is carried out at the distributor's premises. To prove acts of sale the bailiff must seize or copy invoices. For this purpose, searches in the accounting system can be conducted even if the information is claimed to be confidential; in this situation, discretion is important.

The extent of infringement may also be sought. The patent owner may need to ascertain how many infringing products have been manufactured or sold by the allegedly infringing party to specify provisional damages corresponding to sales.

Trade secrets

As a powerful investigatory tool, there is potential for the seizure procedure to be abused.

French judges are becoming increasingly concerned about protecting the trade secrets of alleged infringers during infringement seizures. Judges will frequently refuse petitions or cancel orders that appear to be biased in favour of the petitioner; therefore, the petition must be reasonable in scope.

A recent decision rendered by the Paris court on 8 September 2017 held that: "the measures ordered in the framework of a *saisie contrefaçon* must reconcile the diverging interests of the parties between the search for the evidence of the infringement and the protection of confidential data and must be proportionate to the objective pursued."

This means that the judge to whom the seizure petition is submitted must carefully check

whether each requested measure is appropriate given the interests of the parties and particularly those of the alleged infringer.

However, where trade secrets constitute evidence of infringement, the patentee must have access to such trade secrets for use in litigation. This is a well-settled principle under French patent litigation practice which has been recently reiterated by the Paris court in a 16 November 2017 decision: "For the measure to remain effective, the right to obtain evidence proving the existence and extent of the infringement shall prevail over trade secrecy, which is not in itself a barrier to the seizure."

Avoiding access to trade secrets

The patent owner must not have access to trade secrets which are not sufficiently related to the alleged infringement and an accepted practice has developed in this respect.

The skills of the patent attorney are necessary for the selection of the relevant evidence. Often, proper onsite analysis of accessible documents will enable the patent attorney to determine which documents or parts of documents are relevant. Irrelevant documents should of course not be seized. Irrelevant information in an otherwise relevant document should be blanked out onsite.

For example, where invoices are relevant for proving a sale, as the patent owner only requires evidence that infringing products are being sold and in what quantity, other information (eg, prices, customer names and discounts) should be blanked out when seizing or copying invoices.

Questionably relevant documents can be left in the custody of the bailiff for later review by an expert appointed by the court.

In such a case, after the seizure the court will be requested to order expert proceedings to

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exclude any irrelevant documents. Only patent attorneys, attorneys at law and sometimes independent experts can access disputed documents and attend the hearing with the court-appointed expert. Only those documents or parts thereof determined to be relevant by the court-appointed expert after confirmation by the court will be made available to the patent owner.

Conclusion

The French investigative infringement seizure is a highly efficient, fast and cost-effective means of finding evidence of infringement, both for technical and commercial issues.

Given the complexity of the problems that may arise, the types of information sought and the obstacles which may be encountered, careful planning of the entire seizure operation is crucial.

If a seizure is properly and professionally completed, the evidence adduced will be difficult to contest and invaluable in proving infringement. **iam**

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