

IP-Related Aspects Of The French Law On Modernization Of The Economy

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The Law on Modernization of the Economy (LME) was published on August 4, 2008 under N° 2008-776. This Law comprises four chapters, respectively aimed at promoting the development of small and medium-sized enterprises, enhancing competition, increasing the appeal of the French economy, and improving financing.

The third chapter, relating to competition enhancement, also addresses innovation and, consequently, the protection of IP rights.

The first objective of the LME is to enter stipulations analogous to those of the EPC 2000 into the French law on patents, regarding:

- the second therapeutic application;
- the limitation procedure;
- the filing requirements (also in view of the Patent Law Treaty);
- restoration of priority rights;
- the possibility of filing a patent application in any language.

Other measures are directed to changes in the stipulations concerning utility models (Certificates of Utility) and the payment of the search fee, as well as to the opposability of transfers or the modification of rights (patents, trademarks, designs).

Some of the new measures are directly provided for by the LME, whereas others will be taken later on by Governmental orders or decrees. A decree will be necessary to make the new dispositions of the law enforceable.

Second Therapeutic Application

Article 132 of the LME modifies article L.611-11 of the French law on patents in order to incorporate therein paragraphs (4) and (5) of Article 54 EPC 2000. Therefore, it is now clearly mentioned that:

- a substance or a composition comprised in the state of the art, may be patented for use in a method of therapeutic treatment, provided that its use for any such method is not comprised in the state of the art;
- such a substance or composition may be patented for any specific use in a method of therapeutic treatment, provided that such use is not comprised in the state of the art.

The second point makes it clear that the use of a substance or a composition, already known in a first method of therapeutic treatment, can be patented for a second (“specific”) method of therapeutic treatment.

A claim such as “Substance S for the treatment of disease D” would be acceptable, provided that the substance is not known as a cure for disease D.

Limitation Procedure

Also, Article 132 of the LME now provides for a French style limitation procedure for patents.

Article L.613-24 of the French law on patents is amended so as to state that:

“The patent owner may at any time, either waive the entire patent or one or several claims, or limit the scope of the patent by amending one or several claims.

The waiver or limitation request to be filed at the French Patent Office under conditions set forth by regulations.

The Director of the French Patent Office shall check whether the request is in accordance with the regulations mentioned in the preceding paragraph.

The waiver or limitation has a retroactive effect at the filing date of the patent application.”

At present, the regulations are not known. It is expected that they will be similar to those of Rule 92 EPC 2000.

Most probably, French examiners will be reluctant to accept the redrafting of a claim based on features which were not initially claimed, but were only disclosed in the specification. Amendments aiming to make a claim clearer might however be accepted.

Article L.613-25 is amended in order to state that the patent shall be revoked if the limitation procedure results in the scope of protection being extended.

Also, the new article L.613-25 provides that:

“In the frame of an action for invalidation of the patent, its owner may limit the patent scope by amending the claims; the thus limited patent becoming the basis of the ongoing invalidation action.

Anyone who, during the same proceedings, proceeds with several limitations of his patent in a

dilatory or abusive way, may be sentenced to a civil fee amounting to €3,000 at its maximum, without prejudice to damages that may be claimed.”

The last paragraph seeks to avoid the misuse of the possibility now offered to the patentee of limiting the claims in the frame of a lawsuit. In this respect, it should be borne in mind that, in France, actions for infringement and counterclaims for invalidation are dealt with by the same judge, at the same time. Consequently, the patentee may decide to use the administrative limitation procedure provided for by amended article L.613-24 before starting the action for infringement, or limit the claims before the Court in the frame of a possible counterclaim seeking invalidation. The issue of whether or not to file a counterclaim will be a crucial for the defendant.

Filing Requirements

A governmental order is expected in the near future, which will amend article L.612-2 of the French law on patents in accordance with EPC 2000 and the Patent Law Treaty (PLT).

The most significant amendment will make it possible to obtain a filing date even if no claims are filed at the time of filing the patent application. It will even be possible to obtain a filing date when, instead of filing the text of the patent application, a previously filed patent application is referred to.

In this case, the filing shall be regularized within a term of two months from the filing date, by providing claims or, as the case may be, the previously filed patent application (or its translation into French if this application was not originally in French).

We strongly recommend that the possibility of filing a patent application without its claims be used only in exceptional circumstances, in extreme urgency. This is because the French Patent Office is very demanding as to the support of the claims by the description (even more than the EPO), which would make it difficult to draft the claims in a satisfactory manner when the claim wording is not prepared beforehand. Also, reference to a previously filed patent application would make it impossible to adapt the patent application to the requirements of the French Patent Office before filing, which might well lead to procedural difficulties.

Restoration of the Priority Rights

In accordance with the PLT, article L.612-16 of the French law on patents is likely to be amended by Governmental order to provide for the possibility of restoring the priority rights.

According to the new wording of article L.612-16, if an applicant has not filed a French patent applica-

tion within the priority term of one year, he may file a request for restoration of the priority rights, provided that he has a legitimate excuse.

This new wording will provide that, in this event, the French patent application must be filed within two months of expiration of the priority term and the request for restoration must be filed within the same two-month period.

We stress that the French patent office is quite demanding concerning the “legitimate excuse” and restoration of the priority rights is only likely to be granted in exceptional cases.

Language of Filing

This other anticipated measure will be provided for by a decree. Accordingly, Article R.612-21 of the regulations relating to the French law on patents will be amended to provide that:

“The descriptions and claims of filed patent applications may be written in a foreign language.

In this case, the applicant is requested to file a French translation of the documents within a two-month term.”

We recommend that this possibility be used in exceptional situations only, to allow revision of the text before filing, as this might be difficult if the foreign language is not English or German.

Utility Models/Search Fee

Under the current stipulations of Article L.612-15 of the French law on patents, payment of the search fee for a patent application can be deferred during a period of 18 months from the priority date. Failure to pay the search fee within this time frame leads to the patent application being automatically converted into a certificate of utility application.

Article L.612.15 will in all likelihood be amended so as to cancel these stipulations. Consequently, the search fee will have to be paid within one month of the filing date (article R.612-5) or, with a surcharge of 50 percent, within two months of receipt of a communication (article R.612-45).

However, under the amended version of article L;612-15, the applicant may at any time request that his patent application be converted into a certificate of utility. Applicants who are hesitant to pay the search fee may thus file patent applications without paying this fee, and decide either to pay the fee or to convert the application into a certificate

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of utility as a reaction to the communication under article R.612-45.

Opposability of Transfers or Modifications of Rights on IP

The LME amends Articles L.513-3 (designs), L.613-9 (patents) and L.714-7 (trademarks) to provide, for all these rights, that:

- To have effect against others, all acts assigning or modifying rights deriving from design/patent/trademark application or a design/patent/trademark must be entered in a register kept by the National Institute of Industrial Property;
- However, an act may have effect, prior to entry,

against parties who have acquired rights after the date of such act, but had knowledge of the act when acquiring the rights;

- The licensee who is a party to a licensing agreement that was not entered in this register could act in the frame of an infringement action brought by the IP right owner so as to claim for reparation of his own prejudice.

Concerning trademarks, the new measure is consistent with the Treaty of Singapore.

We draw your attention to the fact that the actual date of a non registered license agreement might be controversial. Therefore, we believe that registration is still advisable. ■