

National Patent Litigation—France

By Emmanuel Gougé and Léonore Isnard

I. Available Reliefs

French law offers various reliefs aiming to restore the patent holder's monopoly and to compensate the claimant.

• Restoration of Monopoly

If infringement is found or admitted, then the judge will prohibit the infringer from pursuing the infringing actions. The sanction is often made enforceable by a court, on a provisional basis, which allows the sanction to be enforced regardless the filing of an appeal.

The judge may also make an order for the infringing products to be recalled or withdrawn from the market, destroyed or confiscated in favor of the patent owner. The judge may finally order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the decision (*e.g.* publication online or in newspaper) (article L. 615-7-1 of the French Intellectual Property Code).

• Damages

The damages granted to the patent owner would take into consideration the negative economic consequences of the infringement (including the loss of profits), the moral prejudice and the infringer's unfair profits. Alternatively, the indemnification may equal a lump sum superior to the royalties that the infringer would have paid should he have been allowed to use the patent (article L. 615-7 of the French Intellectual Property Code).

There are no punitive damages in France.

II. Fact Finding and Preservation of Evidence

Patent infringement may be evidenced by any means.

1. Prior to Litigation

In 80 percent of cases, a patent infringement is evidenced by means of inspection (“*saisie-contrefaçon*”) (article L. 615-5 of the French Intellectual Property Code).

An inspection is a proceeding in which any entity entitled to file an infringement claim can be authorized by a judge (prior to, or during the litigation, being specified that most of the inspection proceedings are initiated prior to any litigation), to appoint a bailiff to enter the alleged infringer's premises in order to seize infringing products or process (or sample of it), to observe and describe said infringing products or process and/or seize any relevant and related information (*e.g.*, financial or accounting documents).

To obtain an inspection order, the applicant must file a request with the President of the Paris First Instance

Court. This proceeding allows the applicant to seek and obtain an order from a judge without the other party being heard which will preserve the “surprise” element of the inspection and prevent any potential destruction of the evidence by the alleged infringer. To support the request, the applicant must provide information in relation to the patent and entitlement to bring proceedings. The request must indicate the inspection premises, explain the purpose of the proceeding and list the requested measures and experts that may assist the bailiff during his inspection (*e.g.*, computer scientist, patent attorney...).

Once the request is granted, the bailiff will conduct an inspection in accordance with the judge's order being the terms of reference. The bailiff will therefore seize the products/processes, observe, describe and collect the experts' comments. Should the inspection be likely to infringe the alleged infringer's trade secrets, the bailiff may decide, or upon request of the alleged infringer, to seal the seized information or documents. The approach to the sealed information and documents will be agreed upon between the parties or by way of court order.

During the course of inspection, the bailiff must not, under any circumstances, go beyond the scope described in the order, or make any comment/interpretation in relation to observations or the expert's comments. A failure to do so could lead to the nullity of the inspection.

Once the inspection is over, the bailiff will draft a report, a copy of which will be sent to the applicant and to the alleged infringer. The aforesaid report alongside its annexes (exhibits, documents, information, seized products/processes) will be used later on in court to demonstrate the infringement and the scope of it. Bailiff's reports are deemed authentic until proved otherwise.

The applicant will have 20 working days or 31 calendar days starting from the inspection date to file a patent infringement claim, setting out the merits of the case, before the Paris First Instance Court. Failure to do so will result in the inspection

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becoming void upon request of the alleged infringer.

To appeal the inspection, the alleged infringer may (i) file a request for the order to be partially or totally withdrawn within 15 days from the order, in particular to address the sealed information/document that may infringe his trade secrets or (ii) file a counter claim, on the merits for the results of the inspection to be made void.

2. During Litigation

During the litigation, the applicant may file a claim for the alleged infringer or any third party in relation to the infringing products/processes, to be ordered by a judge to provide documents or information that will help to determine the origin and the distribution networks of the infringing products/processes (article L. 615-5-2 of the French Intellectual Property Code). This right of information may be granted by the judge unless there is a lawful impediment. According to French case law, the mere fact that the information/documents contain trade secrets is not a sufficient argument to prevent the disclosure of the requested information/documents.

III. Strategic Options

1. Warning/Notice letters

From a general procedural perspective and further to a recent decree dated 11 March 2015, any writ of summons must specify the steps taken by a party to reach an amicable solution prior to the litigation, unless there is a legitimate reason (*e.g.*, preserve the surprise element to organize an inspection) or an urgency. Although French legislation does not provide any sanction in relation to said obligation, it is now recommended to send a warning letter, when possible, prior to any litigation.

From a patent perspective, any third party who is not the manufacturer of the infringing products, can only be held liable for offering, using/holding for use, or putting on the market the infringing products; if the infringing actions are committed in full knowledge of the facts (article L. 615-1 of the French intellectual property Code). This provision implies to send a warning letter to said third party, prior to any litigation, to inform them of the patent owner's rights.

2. Preliminary Relief

Any entity entitled to file a patent infringement claim may seek preliminary relief in order to prevent an imminent infringement of his rights or the continuation of an alleged infringement before the President of the Paris First Instance Court (article L. 615-3 of the French Intellectual Property Code). The interim measures may be ordered by the judge, upon request of the applicant, without the other party being heard should there be circumstances that would

require for a derogation to the *audi alteram partem* rule (*e.g.* delay that would cause an irreparable harm to the claimant).

The interim measures will only be ordered by a judge where there is sufficient and reasonably accessible evidence demonstrating the likelihood of the alleged infringement. From a practical perspective however, should there be, for example, a strong contestation in relation to the validity of the patent, the request is likely to be dismissed. Preliminary reliefs are, consequently, rarely granted in France.

Among the interim measures that might be ordered, a judge may prohibit the alleged infringer from pursuing actions which are in dispute, seize the alleged infringing products from a third party to prevent their commercialization, order the disclosure of relevant information or order the lodgment of a provision for the claimant to be compensated should the patent infringement be declared valid. Those interim measures may be ordered subject to a security granted by the requesting party.

If the interim measures are granted, the claimant will have to file a claim on the merits before the Paris First Instance Court within 20 working days or 31 calendar days starting from the interim order. Failure to do so will result in the interim measures being deemed void and damages may be sought by the opposing party.

3. Main Proceedings

Proceedings on the merits may relate to either a patent invalidity action, a patent infringement action or a declaratory action for non-infringement (see below, Declaratory Actions for Non-Infringement). Those claims will be admissible if the claimant is entitled to file a claim, has a legal interest in taking the legal action and is not time-barred.

A patent invalidity action shall be time-barred after five years starting from the day on which the rights' holder becomes aware or should have become aware of the facts on which his claim is based (article 2224 of the French civil Code).

In civil proceedings, a patent infringement action shall be time-barred after five years from the facts of the infringement claim. The infringement of a patent is, however, a continuing offence which means that as long as the infringement occurs, any claim arising from those infringement facts shall not be deemed time-barred (within a five-years period).

4. Claim Amendments during Pending Proceedings

From a procedural perspective, the subject of a litigation is determined by the respective claims of the parties which are set in the writ of summons filed by the claimant and the responsive submissions filed by the respondent (article 4 of the French civil proceedings Code).

A party's claim may be amended during the litigation. Indeed, a party may, first, give up one of his claims. In that regard, any claim that is not contained/included any more within the last submissions filed by a party is deemed to be abandoned.

Secondly, a party may add a claim during the course of the proceeding provided that said claim relates to its initial claims with a sufficient connection. For example, a patent owner who has filed an infringement claim against an alleged infringer seeking for the prohibition of the infringement action may further file a claim in relation to the recall of the infringing products from the market and their destruction.

5. Protective Letters

French patent legislation does not include the protective letters mechanism.

6. Declaratory Actions for Non-Infringement

Any entity that may demonstrate an industrial operation (or an effective and serious preparation of it) within a member state of the European Economic Community may invite a patent owner to take a stance on the potential infringement nature of the considered operation that he must describe to the patent owner (article L. 615-9 of the French Intellectual Property Code).

Should the reply provided by the patent owner not be deemed satisfactory, or should the latter not reply within three months, the applicant may file a claim before the Paris First Instance Court in order for a judge to declare the non-infringement of the patent at stake. During the course of this proceeding, the patent owner may file a patent infringement counter-claim.

If the judge acknowledges the non-infringement character of the industrial operation, the patent owner will be denied the possibility to file a patent infringement claim unless the applicant does not implement the industrial operation as described to the patent owner.

7. Enforcement Prior to Grant

A patent infringement claim may be filed based on a French patent application under certain conditions (article L. 615-4 of the French Intellectual Property Code). Indeed, the patent application must have been published or must have been notified to the relevant third party. Any act prior to the publication of the patent application or prior to its notification shall not be deemed as infringing the patent owner's rights.

A European patent application may also form the basis a patent infringement claim provided that (i) the patent application has been registered with the European patent register pursuant to article 93 EPC and (ii) the translation into French of the patent claims have been published or notified to the relevant third party.

In both cases, the jurisdiction will have to order a

stay of proceedings until the patent is granted.

8. Customs Seizure

Customs may, on its own or upon the request of a patent owner or any person entitled to exploit a patent, seize alleged infringing goods, unless those goods are in transit. In both cases, the seizure is immediately notified to the patent owner or applicant.

The seizure will be automatically waived unless the applicant demonstrates to customs, within 10 working days (or three working days for perishable products) from the notification, that he has taken actions in relation to the alleged infringing goods (interim injunction, filing of a claim on the merits...).

In order to do so, the applicant may request for customs to provide information in relation to the seized goods (*e.g.*, names and address of the goods' owner, quantity, origin and destination of the goods). The applicant may also inspect, on-site, the alleged infringing goods.

Customs may also proceed with the destruction of the seized goods provided that (i) the applicant has confirmed the infringing nature of the goods and that he agrees to the destructions and (ii) the owner of the goods has agreed with the considered destruction.

IV. Procedural Aspects

1. Court System and Specialization:

A patent claim may be brought before the criminal or civil jurisdictions.

Criminal proceedings are rarely used as the criminal judge is not a patent specialist and cannot invalidate a patent. As a matter of fact, this proceeding may, however, be considered in exceptional circumstances, for example, when investigations are required in order to determine the infringement network or to obtain a decision against the executives of the infringing company.

The civil proceedings relating to a patent claim in the French territory are heard by specialized judges; the judges from the 3rd Chamber of the Paris First Instance Court (article L. 615-17 of the French Intellectual Property Code and D. 211-6 of the French judicial organization Code). The judges have jurisdiction to rule upon any patent claims and related unfair competition/parasitism claims.

2. Bifurcation

French patent law does not include the bifurcation system. The Court may assess the patent invalidity and infringement within the same proceeding, with the patent invalidity claim being first examined by the judges.

3. Who Can Sue

The following persons are entitled to initiate, on their own behalf, a patent infringement proceeding (article L.

615-2 of the French Intellectual Property Code):

- The patent owner and co-owner.
- The patent assignee provided that the assignment is evidenced in writing and has been recorded with the Patent National Register.
- The exclusive licensee under the following conditions:
 - The license must have been evidenced in writing and recorded with the Patent National Register;
 - The license must be exclusive (the licensor cannot personally exploit the patent);
 - The license must not stipulate that the licensee is not entitled to file a patent claim on its own behalf;
 - Prior to any claim, the licensee must send a formal notice to the licensor requiring him to initiate the patent infringement proceeding;
 - The licensor must not initiate the patent infringement proceeding on its own.

Moreover, any licensee, whether exclusive or not, may join the patent infringement proceeding initiated by the patent's owner, to seek remedies for its own prejudice.

4. Who Can be Sued

Within the frame of a product patent infringement, the following persons may be sued (article L. 613-3 a) of the French Intellectual Property Code):

- The manufacturer of the patented product regardless of whether they were acting in good faith;
- The importer of the patented product regardless of whether they were acting in good faith;
- The supplier, user and holder of the patented product and any person putting the patented product on the market, should the infringing actions be committed in full knowledge of the facts (article L. 615-1 of the French Intellectual Property Code).

Within the frame of a process patent infringement, the following actions may be sued (article L. 613-3 b) and c) of the French Intellectual Property Code):

- The use and offer to use the patented process;
- The exploitation of the product obtained by the patented process.

Moreover, according to article L. 613-4 of the French Intellectual Property Code, any contributory infringement of a patented product or process is forbidden and may form the basis of a patent infringement claim.

5. Admissibility of Evidence

Each party must demonstrate, in accordance with the law, the facts which form the basis of their claim (article 9 of the French procedural civil Code). More-

over, a patent infringement claim may be evidenced by a variety of means (article L. 615-5 of the French Intellectual Property Code). To support a claim, an applicant may, consequently, file evidence such as affidavits, investigations, surveys, bailiff's reports, internal exhibits, publications, technical or legal expertise.

To be admissible, patent infringement evidence, as any other evidence, must comply with general procedural principles. Evidence must first be written in French (or filed with a translation into French). Evidence must second be loyal *i.e.* must not have been illicitly or fraudulently obtained. For example, any evidence of the patent infringement stolen from the alleged infringer will not be held admissible by French jurisdictions. According to the adversarial principle, evidence must also have been communicated to the other party (article 132 of the French procedural civil Code). Said communication will allow the parties to debate upon the evidence and its admissibility and/or relevance.

Beyond its admissibility, evidence must also be relevant in order to be effective. This signifies that evidence should disclose the facts and/or acts which form the basis of the claim. Evidence should have a clear date, an unquestionable origin, and relate to the relevant territory. In certain cases, such as prior art, it should have been disclosed to the public.

In relation to a patent claim, the most effective way to demonstrate the infringement would be to provide the jurisdiction with a bailiff's report (further to an inspection or to the purchase of a product in a store or on the Internet). Indeed, bailiff's reports are deemed authentic until proved otherwise. In relation to an invalidity claim, the most effective way to demonstrate the prior art would be to provide a published patent to the Court.

6. Structure of the Proceedings

A patent infringement proceeding is a written proceeding during which the parties must be represented by an attorney-at-law. In 80 percent of the cases, patent owners will initiate an inspection conducted by a bailiff, in the premises of the alleged infringer. This inspection aims to demonstrate the patent infringement before the court.

To initiate the patent infringement proceeding, the claimant will notify (by a bailiff notification) a writ of summons to the alleged infringer. The claimant may also apply for an interim injunction summons. In which case he will have to initiate, within a month, a proceeding on the merits. A failure to do so could lead to the revocation of the interim measures. Once the writ of summons is notified to the alleged infringer, the claimant must register the writ with the Paris First Instance Court. The Court will then issue a notice

to schedule a first case management hearing to verify whether the challenged party is duly represented by an attorney-at-law and whether said party has already filed submissions to reply to the writ of summons.

During the course of the proceedings, the parties will exchange submissions and exhibits to determine their mutual grounds. The Court tends to request a maximum of two submissions per party, unless there is a specific difficulty with the case.

Basic proceedings, with no specific procedural issue, will usually have a principal claim in relation to the patent infringement (mainly to seek the prohibition of the action and damages) and a counter claim in relation to the validity of the inspection report, to the validity of the patent at stake and to the scope and amount of the damages. Once the parties have exchanged their submissions, the Court will order the closing of the proceedings which will prohibit the parties to exchange any further submissions or evidence. The parties will then provide the Court with a pleadings file containing their last submissions and exhibits alongside the relevant case law.

Finally, the parties will attend the hearing to make their submissions before three judges (average timing of three to four hours). The judges will then issue a decision within a month or two.

7. Timing Including Preparation

A patent infringement proceeding may last, from the notification of the writ of summons to the issue of the decision, around 12—24 months depending on the procedural issues that may be raised by the parties.

Usually, once the writ of summons is notified, the other party files written submissions within four to six months. Then the claimant files counter submissions within three to four months with last submissions filed by the alleged infringer within the same deadline. The hearing, which will last a couple of hours, may take place within the month of the closing of the proceedings. The decision is then issued within one or two months.

Should a procedural issue be raised, the timing of the proceedings may be longer as the parties may have to exchange specific submissions and may have an additional hearing in relation to the procedural issue.

8. Costs and Costs Reimbursement

The costs incurred in the course of a patent infringement proceeding are usually the following:

- Attorney-at-law fees from representation;
- Patent attorney fees with technical skills in the patent area who assists the attorney-at-law;
- Bailiff's fees including the fees for the bailiff's report;
- Expert fees, as an inspection is often conducted in the alleged infringer's premises with the help of experts (e.g., a computer scientist);

- Translation fees, as any documents submitted to the French jurisdiction must be in French.

Pursuant to article 700 of the French procedural Code, the party that has won the litigation may seek the reimbursement of the fees incurred during the proceedings, in particular the fees of the attorney-at-law, patent attorney and experts.

From a practical perspective, both parties will request the reimbursement of their fees in their respective submissions. To sustain this claim, it is standard practice to file exhibits such as the invoices that have been paid by a party to its attorney or a CFO affidavit.

To assess if all the costs incurred should be reimbursed by one party to the other one, the judges may take into consideration the economical position of the weaker party. For example, should the winning party be an individual, the judges may more easily order the reimbursement of all the costs incurred. The judges also consider the procedural behavior of the parties during the litigation. For example, the judges will assess whether a party initiates valid procedural incidents or whether said party initiates those incidents with no real valid ground, in order to gain time.

9. Enforcement of the Decision

A decision may be enforced under the following conditions:

- The decision is *res judicata* i.e. the decision cannot be subject to an appeal that will suspend its enforcement; or
- The decision may be appealed but benefits from the provisional enforcement because of the law itself or due to the ruling of the judge upon a party's request. In relation to a patent infringement claim, the judges will often issue a decision (e.g., prohibition to pursue the infringement actions, indemnification...) with the benefit of a provisional enforcement.

The losing party may endeavor to enforce the decision.

In circumstances where this does not happen, the winning party may request the enforcement of the decision upon the losing party. To do so, the winning party must first notify the decision to the losing party by way of bailiff.

Enforcement of the compensation: Once the decision has been notified, the claimant may request a bailiff to implement various enforcement measures. Those measures will lead, for example, to the seizure of the losing party's bank accounts, movable or immovable assets that will allow the winning party to recover its compensation.

Enforcement of the monopoly restoration: To restore the rights of the patent owner's monopoly, the judges may order the losing party to do or stop doing

something. The orders will usually include a penalty fine per day, week or month of delay. Should the losing party refuse to enforce the orders, the winning party will be able to request a judge to issue a decision in relation to the penalty fine that could then be enforced by the claimant upon the assets and bank accounts of the losing party.

10. Appeal

An appeal proceeding tends to criticize the decision of first instance in order to obtain a reformation or annulment of said decision. The Court of Appeal will therefore re-examine the points of the decision against which an appeal has been filed by the parties. Consequently, to support their appeal a party may file new exhibits or new arguments but cannot file new claims *i.e.* a claim that would not have been raised during the first instance proceedings.

Starting from the decision's notification, the party which has received the notification has one month (if the party resides in France) or three months (if the party resides abroad) to file an appeal before the Court of Appeal of Paris, the sole court to have jurisdiction to rule upon an appeal in relation to a patent infringement action.

The party files a notice of appeal with the Court of Appeal indicating the points of the decision against which the appeal is lodged. From the notice of appeal, said party has, then, three months (or five months if the party resides abroad) to file its submissions and request the negation of all or part of the first instance decision.

From the reception of the appellant submissions, the respondent has three months (or five months if the party resides abroad) to file a cross-appeal on all or part of the first instance decision by way of submissions (in which he will also reply to the appellant argumentation).

The appellant has finally three months (or five months if the party resides abroad) to file new submissions to reply to the respondent's cross-appeal.

Once those deadlines have passed, the Court of Appeal will schedule a timetable with a date for the closing of the proceedings (until which the party may freely exchange submissions) and a date for the hearing which will generally occur within 12 to 24 months from the notice of appeal.

11. Service Abroad

The transmission and service of a decision abroad depends on international laws that apply to France.

Service within the European Union: The transmission and service of a decision (in relation to a patent claim or other) within the European Union is governed by the Regulation (EC) No 1393/2007 of the European Parliament and of the Council dated 13 November 2007 on the service in the Member States of judicial

and extrajudicial documents in civil or commercial matters (service of documents) and repealing Council Regulation (EC) No 1348/2000.

The Regulation provides for different ways of transmitting and serving documents (either judicial or extrajudicial documents): transmission through transmitting and receiving agencies, transmission by consular or diplomatic channels, service by postal services and direct service.

In France, the designated transmitting agencies (competent for the transmission of judicial or extrajudicial documents to be served in another Member State) and the receiving agencies (competent for the receipt of judicial or extrajudicial documents from another Member State) are the bailiffs (officer of justice). The Central Body which will supply information to the transmitting agencies and seek solution to any difficulties is the Ministry of Justice (Civil Matters and Seals Directorate—Office of EU Law, Private International Law and Mutual Assistance in Civil Matters).

Service outside of the European Union: The transmission and service of a decision in relation to a patent claim outside of the European Union is governed by the Convention of 15 November 1965 on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters *i.e.* The Hague Convention to which France is a member.

12. Influence of Foreign Decisions

Foreign or administrative decisions are not binding. However, their influence and impact is growing and may help a party to persuade the judges as to how other jurisdictions have ruled upon a patent.

13. Protection of Confidential Information

The protection of confidential information is one of the hot topics in France with the Directive (EU) 2016/943 of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (*i.e.*, the Trade Secrets Directive) that will be implemented into French law prior to 9 June 2018.

As of today, the protection of confidential information is rather limited. The main measure to prevent confidential information from being disclosed would be prior to the litigation, during an inspection proceeding. The seized party may request the bailiff to seal the seized information that will be addressed later on by the judge that has order the inspection.

On a highly exceptional basis, a party could also request the pleading hearing to be held privately. However, French texts organizing the exemptions to the publicity principle of the judicial debates do not include a specific exemption in relation to intellectual property and patent infringement claim.

With the imminent implementation of the directive, the protection of confidential information will be reinforced. In particular, it will be possible to implement measures to protect trade secrets when disclosed during legal proceedings. In particular, French jurisdiction will be able, on a duly reasoned application by a party, to take specific measures necessary to preserve the confidentiality of a trade secret used or referred to in the course of the legal proceeding relating to the unlawful acquisition, use or disclosure of a trade secret. Those measures will include the possibility:

- Of restricting access to any document containing trade secrets submitted by the parties or third parties, in whole or in part, to a limited number of persons;
- Of restricting access to hearings, when trade secrets may be disclosed;
- Of making available a non-confidential version of any judicial decision, in which the passages containing trade secrets have been removed or redacted.

V. Claim Construction

1. Most Important Rules for Literal Claim Construction

Scope of protection: The extent of the protection conferred by a patent shall be determined by the terms of the claims (article L. 613-2 of the French Intellectual Property Code—article 69 EPC). These terms indicate the technical means of the invention (article R. 612-16 of the French Intellectual Property Code).

In a patent infringement lawsuit, the claims therefore constitute the basis on which the judge, by way of interpretation, determines the scope of protection of the patent invoked by the claimant and assesses the infringement.

The description and drawings shall be used by the judge to interpret the claims (article L. 613-2 of the French Intellectual Property Code—article 69 EPC).

Assessment of patent infringement: Patent infringement shall be assessed by comparing similarities rather than differences.

On the one hand, the fact that the allegedly infringing means reproduces the claimed means in its form and function for the same result will be treated as slavish infringement. On the other hand, literal infringement may also consist in the reproduction of the essential means.

A patent will be held to be infringed if the accused means reproduces the essential means as contained in the claims of the patented invention. The essential means are new, inventive and necessary to achieve the result of the invention. A means which was added by the patentee in response to the search report may also be considered essential (this shows

that the means at stake was not minor).

By contrast, minor differences applying to secondary means, such as a simple change of size or the lack of an optional means having no impact on the industrial result of the patented invention will not be taken into account to assess patent infringement.

However, where there are differences between the allegedly infringing product or process and the essential means covered by the patent at stake, the judge will assess infringement under the doctrine of equivalence (see below, Claim Construction—Doctrine of Equivalents).

2. Doctrine of Equivalents

Pursuant to article 2 of the protocol of interpretation of article 69 EPC, for the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is equivalent to an element specified in the claims. With regard to French patents, the French Intellectual Property Code does not provide for any rule governing the doctrine of equivalents.

Nevertheless, this doctrine is governed by French case law, which requires that the structure of the product, although different, shall fulfil the same function, in order to achieve the same result or a similar one. Identity of function is sufficient to determine the infringement under the doctrine of equivalence. This key factor should be understood as direct or indirect production by the infringing means of the same primary technical effect as the one produced by the claimed means of the patented invention.

However, the function of the means expressed in the claim of the patented invention must not be previously known over prior art (for in such case the patent can only protect the means in its form, but not in its function).

Unlike some other European countries, neither the obviousness of the variant for the person skilled in the art nor the intent of the patentee or of the infringer shall be considered as relevant. The teaching of the patent and the prosecution history file are taken into consideration by the judges.

VI. Liability

1. Direct Infringement

French patent law does not know about a strict differentiation between direct infringement and indirect infringement *per se*.

However, one could consider that the direct infringement of a patent would be constituted by the:

- Manufacturing and importation of the patented product, regardless of the good faith of the alleged infringer;

- Use, offer to use and exploitation of a patented process, regardless of the good faith of the alleged infringer; and
- Supply, use, hold and putting on the market of the patented product, should the alleged infringer acts in full knowledge of the facts.

The indirect infringement would be considered as the contributory infringement (see, the section, Liability– Indirect Infringement).

2. Indirect Infringement

French law offers the possibility to sue any entity supplying or offering to supply the means of implementation of a patent, as it will contribute to the patent infringement.

Pursuant to article L. 613-4 of the French Intellectual Property Code, a contributory infringement claim may be raised under the following conditions:

- The lack of consent of the patent's owner for the supply of means of implementation or offer to supply;
- The means of implementation must have been supplied or offered to be supplied on the French territory;
- The means of implementation must have been supplied or offered to be supplied to a person that it not entitled to exploit the invention;
- The supplied means of implementation relate to an essential element of the invention; and
- The entity must be aware that the supplied means tend and can implement the invention.

However, should the supplied means of implementation consist in a product that is already available on the market, a contributory infringement claim cannot be raised unless the entity that has supplied the means encourages the recipient of the means to infringe the patent.

3. Divided Infringement

French patent law does not include the notion of divided infringement. Any entity participating to the patent infringement will be personally held liable and sentenced as such.

VII. Particular Defenses

1. Limitation of Claims

A patent's owner may, at any time, request either the revocation of all or part of his patent or its limitation (article L. 613-24 of the French Intellectual Property Code). A patent limitation request will lead to the amendment of all or part of the patent's claims and cannot, in any case, have the effect of increasing the protection granted by the patent.

A request for the limitation of a patent may occur

within the frame of a patent invalidity proceedings (principal or counter-claim) as a defensive measure (article L. 613-25 of the French Intellectual Property Code). In this case, the limited patent will be the sole object of the invalidity claim.

However, the patent owner must not abuse their right and request multiple limitations in a dilatory or abusive manner. Indeed, the patent owner may be sentenced to a civil penalty fine up to 3,000 Euros and to damages.

2. Exhaustion

As for any other members of the European Community, the exhaustion principle is, in France, an exemption to the territorial protection of a national patent which is justified by the higher principle of free movement of goods.

In accordance with the exhaustion principle, a patent owner cannot, in France, oppose the importation and the circulation of a product covered by his patent under the two following conditions (article L. 613-6 of the French intellectual property Code).

First, the patent owner must have consent to the introduction of the product on the market. The patent owner must have placed the product on the market on his own behalf or through an authorized third party. The introduction of the product on the market means that the patent owner must have transferred the ownership of the product covered by his patent to a third party. Moreover, the exhaustion principle will only have an effect toward the specific product that would have been introduced on the market. Other products, even if they are covered by the same patent, will not benefit from the exhaustion principle unless they are introduced on the market with the consent of the patent owner.

Second, the product must have been introduced on the market with the consent of the patent owner within the European Economic Area, whatever the manufacturing place of the product. There is, therefore, no international or worldwide exhaustion principle.

The burden of proof of the exhaustion principle lies with the defendant *i.e.* the party that claims to benefits from the aforesaid principle. However, the burden of proof will be reversed should the defendant demonstrate a real risk of partitioning of markets. In this case, the burden of proof will lie with the patent owner that will have to establish that the product was initially placed on the market outside the EEA by them or with their consent.

3. Conversion of an Invalid Patent into a Utility Model

Under French law, an invalid patent cannot be converted into a utility model.

However, pursuant to article L. 612-15 of the French Intellectual Property Code, an applicant may transform its patent application into a utility model application during 18 months starting from the application date or priority date. Said transformation request must be submitted in writing (article R. 612-55 of the French Intellectual Property Code).

The conversion of the patent application into a utility model application is irreversible.

VIII. Statistics

Patent infringement proceeding:

In 2016, within the frame of a patent infringement proceeding:

- 21 percent of the patents were declared invalid;
- 47 percent of the infringement claims were dismissed where the patents were declared valid; and
- 32 percent of the infringement claims were granted where the patent were declared valid.

(Source: Presentation of Sabine Agé, Véron & Associés for the AAPI CNCPI “Lack of inventive activity with-

in the French litigation: statistical data—15 June 2017.)

From 2000 to 2016, 54 percent of the patent invalidity decisions were due to a lack of inventive activity. (Source: Presentation of Sabine Agé, Véron & Associés for the AAPI CNCPI “Lack of inventive activity within the French litigation: statistical data”—15 June 2017).

Inspection:

From 2009 to 2015, 81 percent of the patent infringement proceedings started with an inspection within the premises of the alleged infringer:

- 64 percent of the inspections were unchallenged;
- 36 percent of the inspections were challenged with:
 - Nine percent of the inspections declared invalid; and
 - 27 percent of the inspections declared valid.

(Source: Presentation of Thomas Bouvet, Véron & Associés for the GRAPI “Inspections: news”—28 June 2016.) ■

Available at Social Science Research Network (SSRN): <https://ssrn.com/abstract=3271046>.