Cross-Examination of French Judges (Interview Part II: Global Issues)

Kluwer Patent Blog
March 22, 2021

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Please refer to this post as: Matthieu Dhenne, 'Cross-Examination of French Judges (Interview Part II: Global Issues)', Kluwer Patent Blog, March 22 2021, http://patentblog.kluweriplaw.com/2021/03/22/cross-examination-of-french-judges-interview-part-ii-global-issues/

In the first part of this interview (see here), I already mentioned some of the preconceived ideas about French Courts, which makes France almost systematically considered as one of the last territory to litigate: jurisdictions would be anti-patentee, slow, unable to order preliminary injunctions, even not "specialized".

The Cross-Examination Part I of **Mrs. Nathalie Sabotier** (**Paris High Court** i.e. "Tribunal Judiciaire de Paris"), **Mrs. Françoise Barutel** (**Paris Court of Appeal** i.e. "Cour d'appel de Paris") and **Mr. Philippe Mollard** (**French Supreme Court** i.e. "Court de Cassation") has defeated some of these preconceived ideas. This week, we'll be looking at global issues and how Judges Sabotier, Barutel and Mollard appreciate them. Let's go !

What is your assessment of the quality of EP and FR patents?

Ms. Sabotier: *Before the PACTE Law came into force, the INPI (i.e. French Patent and Trademark Office) did not carry out any control of the inventive step and limited its control to the "manifest lack of novelty" of the claimed inventions. The result was a certain "weakness" of the French patents known as "FR" compared to the European patents for which the EPO carries out such a control (novelty and inventive step). However, this should no longer be the case for patent applications filed after May 20, 2020 (i.e. date of entry into force of the PACTE Law), while observing nevertheless that we sometimes also revoke French parts of EP patents.*

Ms. Barutel: *European patents are granted after a thorough procedure by the European Patent Office, after a prior art search and a thorough examination of all patentability criteria.*

As far as French patents are concerned, the extension of the examination to the criterion of inventive step, and the creation of an opposition procedure before the INPI, will reinforce the quality of French patents and as a consequence the legal security of the protection granted.

Do you take into account the case law of the EPO and the procedure that took place before the Office? What about foreign jurisprudence (in particular in Europe)?

Mrs. Sabotier: *We always read with great interest EPO and foreign jurisdictions decisions, even if these decisions are without effect in France, thus, unlike the German judges for instance, we do not quote EPO and foreign decisions in our own judgments. Moreover, we may sometimes refer to the elements of the preliminary examination of the EPO.*

Mrs. Barutel: *We analyze with great interest and take into account, from the point of view of technical expertise but also of legal reasoning, the EPO decisions and especially those rendered by the Boards of Appeal. However, it happens that new prior art, which has not been filed before the EPO, is filed during the judicial proceedings. Of course, we also carefully examine the foreign decisions.*

Mr. Mollard: *The EPO case law is a useful and exploited source. Thus, in the case that gave rise to the judgment of the Commercial Chamber of the Cour de Cassation of December 6, 2017 (No. 15-19.726), the rapporteur undertook a thorough analysis of the EPO Boards of Appeal case law.*

Generally speaking, it is also impossible, in industrial property matters, to ignore the case law of the Court of Justice of the European Union, even if it is richer in trademark matters than in patent matters.

Access to foreign cas law is difficult. It is generally done through the doctrine, unless the parties cite it in their writings. In short, even if it is regrettable, I do not believe that foreign case law is much taken into account.

In France, infringement and validity of the title are generally analyzed in the same procedure. What do you think are the advantages and disadvantages of such a system compared to a German-style bifurcation system?

Ms. Sabotier: *Indeed, except in exceptional situations, the Paris High Court examines both the validity of the patent and its possible infringement during the same proceedings. The advantage of such a system is its simplicity and efficiency, especially since in the lack of serious grounds for revocation and the likelihood of infringement, the pre-trial Judge can order provisional injunctions. The disadvantage is that the procedure may be lengthened precisely to allow the parties to conclude on all of these points when the patent may be "weak".*

Exceptionally, it may happen that Courts practices "sequencing" the procedure. The risk is then that a late decision will be taken on the remedies if the patent is finally declared valid.

Mrs. Barutel: *The fact that the same panel has jurisdiction to hear both the validity of the patent and the infringement makes it possible to purge the entire dispute in one shot.*

Mr. Mollard: *It seems to me quite coherent that the Judge seized of an infringement action can also rule on the defense constituted by the challenge of the validity of the allegedly infringed patent: whether he assesses the validity of this patent or the existence of an infringement, the Judge must apprehend what makes the invention specific.*

On what elements do you base your calculation of damages and how do you proceed with this practical calculation?

Ms. Sabotier: *The evaluation of the damages due is always made by reference to the provisions of article L. 615-7 of the Intellectual Property Code, which requires taking into consideration :*

1- the losses suffered by the owner of the injured title,

2- his moral prejudice (which includes the heads of prejudice that are difficult to quantify such as the trivialization of his innovative products for the patentee, the disorganization of his commercial circuits...), as well as

3- the profits made by the infringer.

As a result, if evidence of these various heads of damage is produced, relatively high damages can be awarded to the patentee, even if we should keep in mind the prohibition of punitive damages (contrary to the French principle of full reparation of the damage).

Ms. Barutel: *The method of calculating damages results from the Law of March 11, 2014, which requires the Judge to take the three elements into consideration separately. Such a separate assessment excluding a simple mathematical addition, and the introduction of punitive damages.*

It is the responsibility of the patentee to provide the elements to support its claims for compensation, and not to request compensation for the same loss twice. The latter may be reluctant to do so, in particular because of business secrecy, as the patentee may prefer not to give its margin rate.

Saisie-contrefaçon operations allow to provide factual elements on the extent of the infringement such as sales, stocks, turnover.

The Law also allow for a lump sum evaluation if requested by the injured party. In order to fix the lump sum of lost royalties, increased with respect to a negotiated sum, the judge must motivate his calculation, and know, to do so, the usual rate of the sector or the royalty actually charged by the victim of the infringement.

Mr. Mollard: *This question is of interest to the Cour de cassation only insofar as it will control the compliance of the Courts of Appeal with the method established by L. 615-7 of the Intellectual Property Code (which, in the field of patents, ensures the transposition into French law of Article 13 of Directive 2004/48/EC).*

On the other hand, the Cour de Cassation does not control the amount of damages awarded to the victim of the infringement, considering that the judges of the court of first instance have the sovereignty to assess the prejudice (Commercial Chamber, February 10, 2009, n° 07-21.912).

What do you think of the practices of setting global license rates and cross-border provisional bans?

Ms. Sabotier: *This is an extremely complex issue and the decisions rendered by foreign jurisdictions that have – courageously – set a global rate are, unfortunately, far from having dried up the worldwide litigation for the same patent to which the obligation to grant a FRAND license by the patentee declared essential to a standard may give rise.*

French courts are in a special situation insofar as the European Telecommunications Standards Institute (ETSI) is based in France and subjects to French law, so that the obligations undertaken in this context should also fall under French law.

Mrs. Barutel: *Concerning requests for cross-border preliminary injunction, it is possible but, as others preliminary injunctions, the measure supposes the lack of serious challenges to the validity of the patent as well as the proportionality of this injunction measure to the seriousness and irreparability of the damage allegedly suffered.*

Moreover, the European patent with unitary effect is not yet applicable, so that any action for infringement of a European patent must be examined in the light of the national regulations in force in each of the States for which it has been granted.

How do you appreciate the position of French case law on computer-implemented inventions in relation to EPO practice?

Ms. Barutel: *The eminently technical and complex topic of assessing the patentability of so-called mixed inventions, which have both technical characteristics and characteristics excluded from patentability, such as a mathematical method or a method for performing intellectual activities, represents a very particular challenge with the development of artificial intelligence.*

For the moment, the Paris Court of Appeal has mainly been seized with appeals against decisions of the Director of the INPI, raising the question of patentability with regard to technical character, in procedures in which the means of inventive activity could not be raised. The Court of Appeal will of course analyze with attention and interest the decision G1/19 which has just been rendered by the EPO's Grand Board of Appeal.

It is once again my duty to thank Judges Sabotier, Barutel and Mollard for having agreed to be interviewed, in order to dispel certain preconceived ideas about the French Courts. The road is still long and winding until the idea that Paris can become the epicenter of the UPC can impose itself (see here).