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Billions of infringing Euro banknotes?

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A growing number of decisions illustrate the divergences of solutions which can exist between the various national courts with respect to the various national designations of a same European patent. This possibility of contradictory decisions is one of the consequences of the breaking up of the European patent into a bundle of separate national patents: each national court can be unaware of the decisions made by the other national courts in Europe on the same patent. This unsatisfactory situation is not suitable for the European patent which enjoys an undeniable practical success, as it represents a clear disadvantage for all the companies wishing to develop a uniform economic activity at a European scale. These divergences of solutions underline the urgent need for a reform of the settlement of European patent litigation. The absence of a central court in charge of resolving disputes concerning European patents is the main criticism expressed by the practitioners; several projects have been undertaken to try to find remedies such as the Draft Agreement 7928/09.

From that point of view, the present decision of the *Cour d'Appel* of Paris of 17 March 2010 in the dispute involving Document Security System and Trebuchet Capital Partners against the European Central Bank, is emblematic. It results from this decision made on appeal against the 9 January 2008 judgment of the *Tribunal de Grande Instance* of Paris, that the French designation of the European patent at issue is invalidated, as already decided in other countries of Europe, namely by the *Tribunal de Première Instance* of Brussels (30 October 2009), the English *High Court of Justice* (26 March 2007) and *Court of Appeal* (19 March 2008) and the *Österreichische Patentamt* (November 2009). However the same European patent was validated in its German, Dutch and Spanish designations respectively by decisions of the *Bundespatentgericht* in Germany (27 March 2007), of the District Court in The Hague (12 March 2008 so that patent infringement proceedings are now pending in Holland) and of the Spanish Commercial Court in Madrid (March 2010).

Document Security System, a company incorporated under the laws of the United States of America, is the holder of European patent EP 0 455 750, which relates to a "method of making non replicable document". It alleged that the European central bank had infringed its patent as a result of the manufacture and distribution of the Euro banknotes, the latter initiated actions for invalidity of the different national designations of the European patent before the different national courts having jurisdiction.

The *Tribunal de Grande Instance* of Paris, in a judgment of 9 January 2008 held claims 1, 2, 3 and 4 of the French designation of the European patent invalid (Art. L. 614-12 of the French Intellectual Property Code) for the extension of their subject-matter beyond the patent application

as filed (Art. 123 and 138 §1c EPC). In fact, the *Tribunal* considered that the new features, designated by letters F and G, added to the initial claim were not disclosed in the initial patent application directly, even implicitly, and then represented a prohibited extension of the subject-matter of the patent beyond the content of the patent application as filed.

Some time after this decision, the European patent at issue was partially assigned to Trebuchet Capital Partners.

Then the two companies lodged an appeal, requesting that the *Cour d'Appel* reverse the judgment, arguing that the claims as granted, as they include the F and G added features, relate to embodiments of the invention that are different from those referred to in the claim as filed, but are found in the invention's description, so the complaint for extension of the subject-matter of the claims as granted beyond the subject-matter of the patent application as filed is not characterised.

The two companies first state that the invention explains how to design an original image incorporating lines, dots and swirls arranged according to a horizontal or vertical pitch distance, which differs very little from the pitch distance of the linear grids of the scanning copying devices, so that distortions or moiré effects necessarily appear on the copies. Then they argue that the F and G features, in that they provide the overlaying of the original document with a grid pattern, which is designed in relation to the scanning pitch distance of a determined replication apparatus and which normally is not discernible by the naked eye, only define an embodiment of the invention and do not extend the subject-matter of the application as filed.

On the contrary, the *Cour d'Appel* of Paris decides that none of the elements in the description, in the claim or in the drawings, which compose the patent application as filed, allowed the person skilled in the art to deduce the process of superimposing a grid pattern especially designed on an original image as indicated in the F and G added features.

If the invention description explains how to design a non-replicable original image incorporating lines, dots and swirls arranged according to a horizontal or vertical pitch distance, which differs very little from the pitch distance of the linear grids of the scanning copying devices, so that the copy of the original image by such a device necessarily comprises distortions, this description opens up no prospect for the idea of overlaying any original image with a grid pattern, which is especially designed in relation to the scanning pitch distance of a determined copier and which normally is not discernible by the naked eye, so that the original image and the image overlaid with this pattern appear to be generally identical.

Consequently, the F and G features did represent an extension of the subject-matter of the claims beyond the application as filed, entailing invalidity of the French designation of the European patent. The *Cour d'Appel* of Paris affirms the 9 January 2008 judgment of the *Tribunal de Grande Instance* of Paris (on appeal).

Original French decision. English translation. To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please subscribe here.

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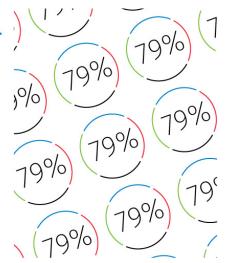
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