

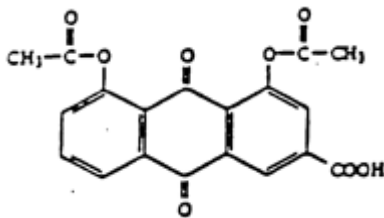
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Civil liability because of the enforcement of a preliminary injunction: the priority question on constitutionality

Pierre Véron (Véron & Associés) · Wednesday, October 24th, 2012

Thanks to the constitutional revision of 23 July 2008 (which created Article 61-1 and amended Article 62 of the French Constitution), a new procedure to control the constitutionality of laws was introduced into French law, which came into force on 1st March 2010: the “*priority question on constitutionality*” (“*question prioritaire de constitutionnalité*”). Before this reform, the constitutionality could only be verified before the promulgation of laws on the initiative of a limited number of politicians. Now, this control can occur even after the promulgation of laws and on the initiative of any person who, in a judicial or administrative proceedings, is subjected to a law which he considers contrary to the rights and freedoms guaranteed by the *Constitution*. This person raises the priority question on constitutionality and asks the court, having jurisdiction over his case, to transmit it to the *Cour de cassation* (in judiciary cases) or the *Conseil d'État* (in administrative cases) for submission to the *Conseil constitutionnel*.

This new procedure has already resulted in a large number of decisions by the *Conseil constitutionnel* (242 decisions on 12 October 2012). And the application of this procedure to the intellectual property law is scrutinized with great interest. While some issues relating to literary and artistic property have succeeded in reaching the *Conseil constitutionnel*, it is still not the case in the field of industrial property. The present case is precisely an illustration of a refusal to submit a question considered to be devoid of substance.



Laboratoires Negma (hereinafter referred to as “Negma”) is the exclusive licensee of the French designation of European patent No. 0 520 414 which relates to a method for the preparation of diacetylrhein (also called diacerein).

Claiming that Biogaran, a generic drug company, was manufacturing, distributing and marketing in France generic pharmaceutical products containing diacetylrhein and infringing European Patent EP 0 520 414, Negma obtained, on 30 March 2009, from the President of the *tribunal de grande instance de Strasbourg* ruling in preliminary proceedings an order enjoining Biogaran, under a

penalty of €30,000 per recorded infringement, from marketing and distributing these generic pharmaceutical products and ordering their recall within 48 hours.

Subsequently, in the proceedings on the merits, claim 14 of the French designation of European Patent EP 0 520 414 being held invalid by the 31 March 2010 decision of the *tribunal de grande instance de Paris* and the 30 June 2010 decision of the *cour d'appel de Paris*, the *cour d'appel de Colmar* in the 22 June 2010 decision reversed the injunction and the recall ordered by the Judge ruling in preliminary proceedings of the *tribunal de grande instance de Strasbourg*. Therefore, Negma was ordered to pay almost €3,000,000 to Biogaran in compensation for the damage resulting from the enforcement of that 10 March 2009 order.

Refusing to incur liability, Negma requested the submission of a priority question on constitutionality. This request was dismissed by the Judge in charge of the case preparation and by the *tribunal de grande instance de Paris*.

Therefore, Negma lodged an appeal against the order issued by the Judge in charge of the case preparation and against the judgment handed down by the *tribunal de grande instance de Paris*, requesting that the *cour d'appel* hold admissible its priority question on constitutionality and necessary to refer it to the *Cour de cassation*, for submission to the *Conseil constitutionnel*.

The proposed priority question on constitutionality is as follows:

Do the provisions of Article 31 subparagraph 2 of the 9 July 1991 Act prejudice the rights and freedoms which are guaranteed by the *Constitution*, in particular:

- the equality of treatment of individuals,
- the right of access to the courts,
- the right to intellectual property,

when applied to provisional measures ordered under Article L. 615-3 of the French Intellectual Property Code on the basis of a patent which was subsequently revoked or held not infringed?

Article 31 of the 9 July 1991 Act provides: “*Subject to the provisions of Article 2191 of the French Civil Code, the enforcement may be carried out to the end under a provisionally enforceable title. The enforcement is carried out at the risk of the creditor, which shall restore the debtor’s rights in kind or by an equivalent thereof, should the title be subsequently modified*”.

Biogaran objected that this priority question on constitutionality was devoid of substance and should not be referred to the *Cour de cassation*, for submission to the *Conseil constitutionnel*.

In its 6 July 2012 decision, the *cour d'appel de Paris* verified the three admissibility conditions of the priority question on constitutionality.

1° The contested provision is applicable to the dispute or to the proceedings, or forms the basis of the action

This first requirement was obviously fulfilled in the present case since Biogaran claimed compensation of its damage before the *tribunal de grande instance de Paris* on the basis of the criticised provision, namely Article 31 of French Act No. 91-650 of 9 July 1991, which provides

for a strict liability owing to the enforcement of a provisionally enforceable title, in the present case owing to the enforcement of the 10 March 2009 order of the President of the *tribunal de grande instance de Strasbourg*.

2° *The contested provision has not already been declared constitutional in the grounds and the operative part of a decision of the Conseil constitutionnel, except where there has been a change in circumstances*

This second requirement was also obviously fulfilled in the present case since Biogaran and Negma agreed that until now no priority question on constitutionality relating to French Act No. 91-650 of 9 July 1991 and in particular the enforcement of Article 31 subparagraph 2 thereof, is nor has been submitted to the *Cour de cassation* or the *Conseil constitutionnel*.

3° *The question is not devoid of substance*

It is in relation to this third and last requirement that the *cour d'appel de Paris* decided to dismiss the request for submission of a priority question on constitutionality. All the alleged violations of the rights and freedoms guaranteed by the *Constitution* were devoid of substance.

* Violation of the equality of treatment of individuals: Negma claimed that Article 31 of French Act No. 91-650 of 9 July 1991 constituted such a violation of the equality of treatment of individuals since the patent holder must demonstrate the existence of a fault, the alleged infringement committed by the defendant or its likelihood under Article L. 615-3 of the French Intellectual Property Code, to obtain compensation whereas the alleged infringer can obtain compensation for the damage which he may have suffered, pursuant to Article 31 of French Act No. 91-650 of 9 July 1991, by not providing evidence of the fault committed by the patent holder.

The *cour d'appel de Paris* demonstrates that the perspective adopted by Negma is distorted. In fact, there is no violation of the equality of treatment of individuals because the compensation of the damage suffered by the alleged infringer, without having to provide evidence of a fault, is the counterpart of an advantage, of an “*exceptional prerogative*”, that the law afforded to the patent holder. This advantage is nothing else than the possibility, pursuant to Article L. 615-3, of requesting in preliminary proceedings or *ex parte* a preliminary injunction on the basis of a likelihood of infringement and not a proven infringement. In fact, the preliminary injunction is a “*provisional measure*“, that is, a measure taken for the duration of a trial in order to momentarily address an urgent situation (to stop an infringement allegedly already started or to prevent an imminent infringement) pending a final decision (on the reality of the alleged infringement and the validity of the claimed patent).

But this preliminary injunction may have a significant negative impact on the economic activity of the alleged infringer since it aims, by definition, at hindering the alleged infringing activity (as in the present case where Biogaran has been enjoined from marketing and distributing its generic pharmaceutical products).

And these provisional measures having severe economic consequences may be ultimately held unfounded as they are taken pending a final decision which can certainly confirm the claimed patent and the reality of the infringement but also revoke the patent or decide on the absence of the alleged infringement.

Under these conditions, it is legitimate that Article 31 of the 1991 Act, as well as subparagraph 4 of

Article L. 615-3 (derived from Article 50 § 7 of the TRIPS Agreement and Article 9 § 7 of the Directive No. 2004/48), work on the principle that the person who requests such provisional measure and enforces it must answer for the harm caused. This is likely to give a sense of responsibility to the person who requests this provisional measure. Such a provisional measure must be implemented advisedly and with considerable caution. It is also well-established that the enforcement of a provisionally enforceable decision always occurs at the risk of the person who requested it.

* Violation of the patent holder's right to bring proceedings: Negma also claimed the patent holder would be dissuaded from initiating an action against an alleged infringer on the basis of its patent because, in the case of the failure of the initiated action, Article 31 of the 1991 Act imposes a disproportionate, totally unpredictable and dissuasive penalty.

The *cour d'appel de Paris* answers that nothing requires that the patent holder use the preliminary injunction. He can always bring proceedings on the merits of the infringement and obtain compensation for the damage allegedly caused by the alleged infringer without necessarily having had recourse to the provisions of Article L. 615-3 of the French Intellectual Property Code. Therefore, he is not deprived of his right to access the courts.

In addition, the strict liability under Article 31 of the 1991 Act does not prohibit the patent holder from issuing a summons to appear in court under Article L. 615-3 of the French Intellectual Property Code but it merely makes him aware, by giving him a sense of responsibility, of the risk involved by an action which may be considered later as foolhardy.

* Violation of the intellectual property right itself: Finally, according to Negma the provisions of Article 31 of the 1991 Act would dissuade the intellectual property right holder from exercising one of the essential prerogatives of his right, the right to restrain and its corollary, the right to bring infringement proceedings.

The *cour d'appel de Paris* answers by pointing out the fact that Article 31 only applies if the provisional measure is ultimately unjustified because of the absence of the alleged acts of infringement or because of the invalidity of the claimed patent. The alleged conflict between intellectual property rights and Article 31 therefore does not exist.

Furthermore, the property right, to which the *Conseil constitutionnel* linked the intellectual property rights, is not absolute and its constitutional protection is only exercised in presence of an infringement or a restriction which is so serious that it distorts the meaning and the scope of this property right.

[Original French decision.](#)

[English translation .](#)

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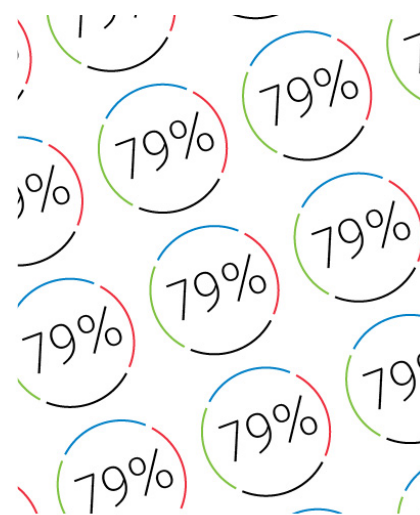
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