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Saisie-contrefaçon and trade secrets: the French Supreme Court institutes the framework for the protection of the trade secrets within a saisie-contrefaçon

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February 1st, 2023, the French Supreme Court (“*Cour de Cassation*”) ascertained that during a *saisie-contrefaçon* trade secrets can only be protected by a temporary sequestration provided for in the order authorizing the *saisie*.

Teoxane (“Teoxane”) is the owner of a European patent, the revocation of which Laboratoires Vivacy (“Vivacy”) sought by a summons filed on 9 October 2019 before the Paris High Court (“*Tribunal Judiciaire de Paris*”). Following two authorizations *ex parte* by orders dated 7 January 2020, Teoxane carried out two sets of operations on 8 January 2020. On February 6, 2020, Vivacy summoned Teoxane before the judge who had authorized the *saisie* to obtain a retraction of the two orders or, alternatively, a determination of the terms and conditions of disclosure of the seized documents classified as trade secrets. The plaintiff argued, in particular, that the orders could not establish a sealing procedure to protect trade secrets, as only temporary sequestration was provided for by the texts (R. 615-2 of the French Intellectual Property Code, which refers to Article R. 153-1 of the French Commercial Code). The judge and then the Court of Appeal rejected these two claims, holding that the judge had the option and not the obligation to order a temporary sequestration.

The *Cour de Cassation* upheld the part of the ground of appeal that was based on Articles R. 615-2 of the Intellectual Property Code and R. 153-1 of the Commercial Code. According to the Supreme Court, the Court of Appeal violated these texts by deciding that to ensure the protection of the seized party’s trade secrets, the President, ruling on a request for *saisie-contrefaçon*, was not obliged to resort, if need be *ex officio*, to the special procedure of temporary sequestration.

Prior to French Law No. 2018-670 of 30 July 2018 on trade secrets, the seized party could request protection of its secrets during or after the seizure operations. In any case, it was up to the seizing party to request the unsealing of the documents if he or she wished the protected documents to be included in the debate.

Since Law No. 2018-670 of 31 July 2018 and its implementing decree No. 2018-1126 of 11 December 2018, Articles R. 615-2 of the Intellectual Property Code and R. 153-1 of the Commercial Code establish a procedure for maintaining provisional sequestration affixed during a *saisie-contrefaçon*. Thus, the last paragraph of Article R. 615-2, which relates to the *saisie-*

contrefaçon based on a patent, refers to the rules provided for by the Commercial Code for the maintenance of sequestration in the presence of a trade secrets in the event of a protective seizure (request on the basis of Article 145 of the Code of Civil Procedure). However, Article R. 153-1 paragraph 2 provides that “*if the judge is not seized of a request to modify or retract his order pursuant to Article 497 of the Code of Civil Procedure within a period of one month from the service of the decision, the provisional sequestration measure mentioned in the previous paragraph is lifted and the documents are transmitted to the petitioner*“. In other words, only a writ of summons to request the modification or retraction of the order, within one month of the service of the order, can oppose the automatic lifting of the temporary sequestration.

In the case reported, the judge of the Paris High Court and the Court of Appeal considered that the *saisie-contrefaçon* order may provide for a temporary sequestration or a seal (which is not temporary and requires a request from the seizer to disappear).

The practical significance of this solution is considerable. First of all, it is not specific to *saisie-contrefaçon* and can be transposed to the case of any seizure for the purpose of preservation under Article 145 of the Code of Civil Procedure, insofar as the rule laid down in Article R. 153-1 of the Commercial Code, to which the articles of the Intellectual Property Code refer, is intended for it. Furthermore, the framework for the protection of secrecy during a seizure now seems particularly strict, even rigid. This solution implies that the bailiff can only protect trade secrets during an attachment if he/she is authorized to do so by the order. On the contrary, if the order does not provide for any protective measure, the bailiff will not be able to affix seals on his own initiative, nor will he be able to do so if the order authorizes him/her to affix seals but the person seized does not ask for them to be affixed.

Finally, it should be noted that in this case, the Commercial Chamber of the Supreme Court did not refer the case to a Court of Appeal but ruled directly on the merits. This practice is unusual, but no less pragmatic, in that a referral would only have led to an identical solution. However, the result of the decision may seem surprising: the order is partially revoked, in that it authorizes the sealing of the documents, so that the latter are lifted and the documents in question are returned to the seizing party. This concrete impact suggests that it would be better not to ask for revocation in this case.

However, we believe that this rigid framework is relative. Firstly, there is no obligation on the judge to provide for sequestration to protect trade secrets in the context of a *saisie-contrefaçon*, but in this case it is the execution of the order, which potentially infringes secrecy, that could constitute a ground for invalidating the report of the bailiff drawn up at the end of the *saisie*. There is therefore little doubt that legal certainty and prudence strongly encourage everyone (applicants and judges alike) to systematically include a sequestration measure in *saisie-contrefaçon* orders. Secondly, the solution of the commented decision only concerns trade secrets within the meaning of the Law of 2018, which excludes other types of secrets, including notably professional secrets and secrets protected by an NDA. In all these cases, the bailiff remains free to affix seals, although it will be necessary to specify which type of secret the seal will protect.

In conclusion, the decision reinforces legal certainty in the area of *saisie-contrefaçon* and must, for this fundamental reason alone, be approved. In particular, it will no longer be possible to deny that there is only one possibility to protect trade secrets during a *saisie*: a provisional sequestration, which must be provided for in the order, and which will automatically fall one month after the operations if no submission for its maintenance has been made within that period.

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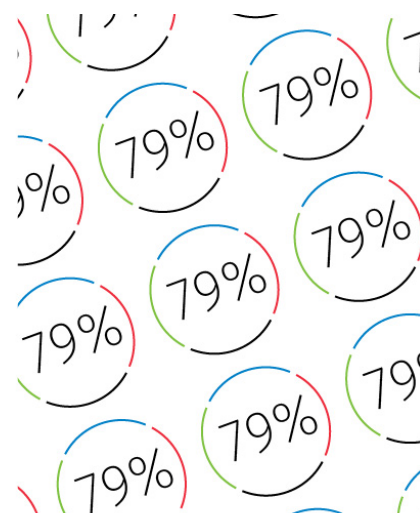
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