

# Kluwer Patent Blog

## UPC “saisie-contrefaçon” Part IV: the appeal against the “saisie” order

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Last week, we had the opportunity to review [the texts](#) regarding the UPC “saisie”, the *ex parte* orders issued in the **OERLIKON** and **C-KORE** cases. In the second case, which is before the Paris local division, the seized party has lodged an appeal against the order. To the best of my knowledge, this is the first appeal against a UPC seizure order, which enables me to raise this type of appeal before the new court.

French practitioners are well acquainted with retraction proceedings, particularly because they have multiplied since the reform of the law on trade secrets. Indeed, since this reform, the seized party is obliged to request the maintenance of the seals (which has been affixed at his request to items seized during operations on the pretext of protecting trade secrets) within the longest period between 31 days and 20 working days (we are used to talk about “one month” to our client to simplify and to lodge some days before the deadline to avoid any potential problem with communication). However, the retraction remedy is used to include these claims for maintenance (request for retraction of the order as the main claim and request for maintenance as a subsidiary claim). In any case, the fact remains that the aim of such an appeal is, in principle, to have the judge who made the order withdraw it, because the applicant has brought to his attention facts which would have influenced his decision at the time of issuing the order (either by not issuing the order or by modifying the measures contained therein). Under French law, there are two grounds on which the person from whom the order is sought may request that the order be withdrawn: unfair presentation of the facts at the time the application is submitted (which derives from article 10 of the French Civil Code, which lays down the principle of fairness of the proceedings, and article 3 of Directive 2004/48 which requires “fair” measures) and/or disproportionality of the measures granted (a requirement which derives from both article 7 of directive 2004/48 and article 494 of the French Civil Procedure Code, which requires the application to be “*reasoned*”).

First of all, it should be noted that rule 197.3 RoP imposes a time limit of 30 days, after “*execution of the measures*“, to request a review of the order. There are slight differences with French law here: the time limit is 30 days (instead of the longer of 31 days or 20 working days), and the time limit is imposed on the appeal itself, i.e., it is not linked, as in France, to the maintenance of seals affixed to items on the pretext of protecting trade secrets. Apart from the desire to protect trade secrets, under French law, an order can be challenged at any time, even during the trial on the merits. *A contrario*, we can deduce that in a UPC litigation, the very execution of the order may not provide grounds for invalidating a seizure report.

The grounds which may justify a retraction will then be deduced from the texts dedicated to the UPC “saisie”, and thus essentially to article 60 UPCA, or even national laws where applicable. This is confirmed by the decision handed down by the Paris local division on March 1<sup>er</sup> 2024.

Firstly, the Court determines whether the one-month time limit has been respected. In this case, according to the defendant, the operations were carried out on December 5, and the appeal was lodged on January 5, so the 30-day time limit under article 197.3 had not been respected by the plaintiff. However, the Court points out that, in accordance with rule 300 of the ROP, the time limit begins to run the day after the relevant event. Accordingly, the time limit ended on January 5, and NOVAWELL therefore lodged its appeal within the time limit, since the 30-day time limit only ends on December 6, the date on which the minutes were served.

Secondly, the Court examines the reasonable evidence. The Court examines the various items of evidence provided by the defendant, which concern, it will be recalled, the marketing of a “SICOM” machine claimed to reproduce in particular claim 1 of the patent. Under this same criterion (reasonable evidence), the Court also examined NOVAWELL’s argument of unfairness in the presentation of the request and considered that the knowledge of the seized party’s commercial activities since 2017, which had not been disclosed in the request, was not unfair, because the applicant would only have become aware of the infringement in 2023.

Thirdly, the Court examines whether the conditions for obtaining an ex parte order have been met. As far as urgency is concerned, it considers that NOVAWELL has not demonstrated the risk of irreparable damage, and that urgency must therefore be assessed based on the risk of destruction of the items. However, in the Court’s view, the mere assertion made at the time the application was submitted that the items might no longer be accessible satisfied this criterion.

Fourthly, NOVAWELL contested the validity of the patent and infringement: two arguments which, as the Court recalls, are not to be taken into consideration at the stage of the seizure order.

I have to admit that this decision, while well-written and interesting in some respects, leaves me a little disappointed. Not because of the Court’s response itself, but because of the poverty of the arguments put forward by the plaintiff. I’m thinking here in particular of the “reasonable available evidence” required by article 60. The expression, as we could sense from the “saisie” request, seems to be reduced to a strict interpretation unrelated to infringement. Indeed, as we have seen, the applicant, in much the same way as in the OERLIKON case, was content to claim that his machine was infringed by a competitor’s machine, while adding that this demonstrated at the very least the plausibility of the infringement of claim 1. Here, NOVAWELL only attacks the dates of the documents produced, without mentioning the most interesting point: C-KORE has only provided reasonable evidence of the commercialization of a machine (“SICOM”), not reasonable evidence of patent infringement. We are all familiar with the common bias of confusing a machine produced by the seizing party (“CABLE MONITOR”), which allegedly reproduces the patent, with the patent itself, and then comparing machines with each other. However, this bias overlooks the fact that it is not the machine that must be reproduced, but the patent. In other words, reasonable evidence is aimed at reproducing the patent, not the machine.

Another point already raised on this blog is that this lack of any real demonstration of plausible infringement prevents a full assessment of the proportionality of the measures granted: proportionality is not simply a question of balancing the interests of the parties, but also of the correlation between the “reasonable evidence” and the measures granted. In other words, the extent

of the measures should be proportional to the evidence, which was impossible to assess in this case based on the evidence provided. Here, NOVAWELL need only have referred to Articles 3 of Directive 2004/48.

Moreover, the unfairness denounced by NOVAWELL – knowledge of marketing since 2017 that had not been disclosed – seems to have been based on article 60, since the Court refers to it under reasonable available evidence. However, de facto, reasonable available evidence and unfair presentation are two different things and have different grounds in French law. As recalled by a ruling of the *Cour de cassation* (French Civil Supreme Court) on December 6, 2023, it is the principle of loyalty set out in Article 10 of the French Civil Code which is the ground of such loyalty. It would therefore have been judicious to invoke the correct basis, at the risk of the claim being rejected for its mere inadequacy with the text.

Finally, it is worth noting the Court’s interesting clarification of the time limit for lodging an appeal. In this case, the Court relies on article R. 615-2 of the French Intellectual Property Code, which stipulates that “*copy must be left with the same holders of the seizure report*” (“*copie doit être laissée aux mêmes détenteurs du procès-verbal de saisie*”), to conclude that this text provides “in fine” that the service of the copy of the report is part of the measures and would therefore constitute the starting point of the time limit. On the other hand, it is specified that the submission of the expert’s written report constitutes an act distinct from the said execution. This somewhat subtle clarification is particularly interesting. Generally speaking, under French law, the closing of operations constitutes the starting point, as the defendant argued. Often, the order even stipulates that the bailiff has three days to draw up his report following the closing of operations. However, the UPCA text refers to “the measures” and not “the operations” as the starting point for the 30-day period. This means that if the order specifies a time limit for drafting the report – three days, for example – the time limit for lodging an appeal begins on the day following the said time limit. This is an important clarification, given that in French law, ordinances most often include such a time limit.

To conclude, this decision reveals a not inconsiderable (and ultimately banal) aspect of the new Court’s jurisprudence: it arises first and foremost from the claims made before it, from the questions put to it. It must be said, however, that many other questions merited the Court’s attention, but were not raised. In general terms, the decision also reveals the Court’s flexible approach not only in ordering a seizure as such, but also in determining whether it can be ordered ex parte: in this case, it tends to reverse the burden of proof by considering that the risk of destroying evidence was proven, whereas the applicant had only asserted it, and in so doing obliges the seized party to provide the opposite proof. In any case, the first lessons to be learned from these first seizures will necessarily influence litigation strategies that may include UPC “saisies”, largely due to the Court’s willingness to carefully reason its decisions, which can only be approved and praised (to be continued...).

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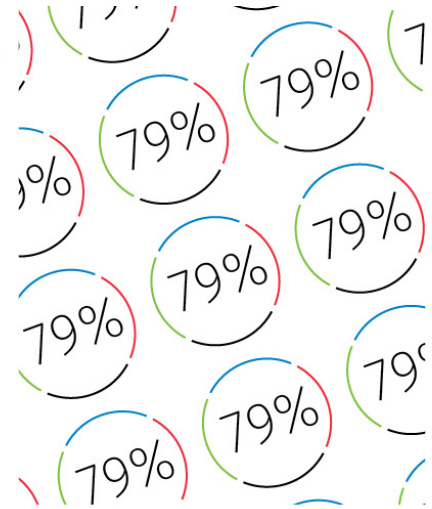
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