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“Sony” judgment of the Cour de cassation of 24 April 2024: admissibility of an assignee’s infringement action for acts performed prior to the registration of the assignment of the patent

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In an important decision rendered on 24 April 2024, the Commercial Chamber of the Cour de cassation (i.e., French Supreme Court) ruled that the assignment of a patent is not enforceable against third parties if it is not registered, but that the regularization of this situation during the infringement proceedings allows covering all acts of infringement, including those that precede said regularization. Although pragmatic and measured, this position is nonetheless inconsistent. A clear consideration of the function of the registration, i.e., publicity, formality would make it possible to avoid this bias by retaining that, in this case, publicity was not designed for third party infringers. The assignee would then be able to prosecute all acts of infringement occurring between the assignment and its recordal in the public register (Editor’s note: this paper summarizes very shortly a detailed commentary to be published soon in French in the peer-reviewed “Recueil Dalloz”).

Between 1997 and 2001, Sony Computer Entertainment filed three European patent applications designating France and relating to features of the PlayStation controller. Following a demerger-creation operation completed on 1st April 2010, the corresponding patents were transferred to Sony Interactive Entertainment (hereinafter “Sony”). This transfer was recorded in the French patent register on 28 June 2018. However, on 14 December 2016, before this registration, Sony had already been authorized to carry out a *saisie-contrefaçon* (i.e., an infringement-seizure) in the premises of Subsonic. On 16 January 2017, Sony brought infringement proceedings against Subsonic before the *Tribunal judiciaire de Paris* (i.e., Paris High Court) on the basis of the transferred patents. The lower courts, both at first instance and on appeal, held, pursuant to Article L. 613-9 of the French Intellectual Property Code (hereinafter “IPC”), that the assignment was not enforceable against third parties until it was registered. Accordingly, only the acts of infringement performed after the date of this publication, i.e., 28 June 2018, were punishable.

Before the *Cour de cassation*, three grounds of revision were raised against the appeal judgment, of which only the first concerned the assignment. In this first ground, the Supreme Court was asked about the impact of the publicity formality of registering an assignment of a patent in the National Patent Register on the enforceability of the patent, in other words, the link between the publicity of said assignment and the enforceability of the patent (or, more precisely, of the patent right, with which the patent is often confused). Referring to Article L. 613-9 of the IPC, the Supreme Court

points out that, if the transfer is not registered, the rights arising from the assignment cannot be enforced against third parties and that the assignee is therefore not entitled to bring an infringement action. However, the regularization of a registration during proceedings, in accordance with article 126 of the French Code of Civil Procedure (hereinafter “CPC”), will cover all acts of infringement, i.e., both those subsequent to the said registration and those prior to it.

The first response, which rejects the enforceability of an assignment in the absence of registration, is standard. On the other hand, the second answer is a novelty, likely to surprise, because of a certain inconsistency in the reasoning proposed: Firstly, the Court deduces that the right cannot be enforced in the absence of registration, whereas it then accepts that the regularization of registration during proceedings concerns both subsequent and prior infringements, even though the latter took place between the assignment and registration, during what is sometimes referred to as the “grey” period, at a time when, according to the answer to the first part, the patent right could not be enforced. Although the argument of expediency, in other words pragmatism, is easily understood, given that failure to publicize can leave acts of infringement unpunished for a period that is sometimes relatively long (in this case almost eight years had passed), the fact remains that from a legal point of view, strictly speaking, and even more broadly from the point of view of logic, the reasoning is questionable because of the contradiction in the answers given to the first two parts of the ground. Even more so since the lack of a full statement of reasons for the judgment is not helpful.

Faced with the impasse of inconsistency that marks the reasoning of the Cour de cassation, a return to the heart of the matter is essential. The concepts of enforceability and publicity are at the heart of this debate, which is not new. Consistency must therefore, it seems, be sought at the intersection of these two concepts. Article L. 613-9 of the IPC states that “*all acts transmitting or modifying the rights attached to a patent application or patent must, in order to be enforceable against third parties, be entered in a register, known as the National Patent Register, kept by the National Institute of Industrial Property*”. French academics have almost unanimously concluded from this text that the enforceability of the assigned patent right was subordinated to the recordal of the assignment in the register, in other words to the publicity of the assignment. However, at the same time, the pragmatism that permeates the reported judgment is easy to understand: everyone will accept that infringement of a patent right, whether or not the assignment has been registered, constitutes infringement and that it is inadmissible that the mere failure to register the assignment should benefit the infringer. But should a distinction be drawn, as the Supreme Court proposes, according to whether the publicity was regularized before the proceedings were instituted or during them? Such a distinction does not seem justifiable. Should we therefore be satisfied with a (mechanical) application of the text that disregards its meaning? We do not think so.

Ultimately, the fundamental question raised by Article L. 613-9 of the IPC lies in the function assigned to the publicity formality constituted by the registration of the assignment of a patent. What function is assigned to the publicity introduced by Article L. 613-9 of the IPC? It would appear that it does not primarily concern third parties who would have an interest in seeking the revocation of the patent (this action seems to be based more on the freedom of trade and industry, and not on any right arising from the patent system), so that it would seem to concern, above all, the successive owners, in the event of a conflict arising between them. Here, the examination tends to show that publicity is not intended to protect all third parties, but only some of them. We are therefore in line with the position of the Court of Justice of the European Union in relation to licenses, which is itself similar to land-ownership registration.

In conclusion, we regret that the *Cour de cassation* did not go further in its reasoning, which was no doubt too measured for fear of an alleged contradiction with EU law, at the cost of the consistency of its answers. However, the fact remains that the pragmatic position adopted by the Supreme Court constitutes a step forward and seems to be the first step towards taking greater account of the third parties (actually) affected by the registration of a patent assignment.

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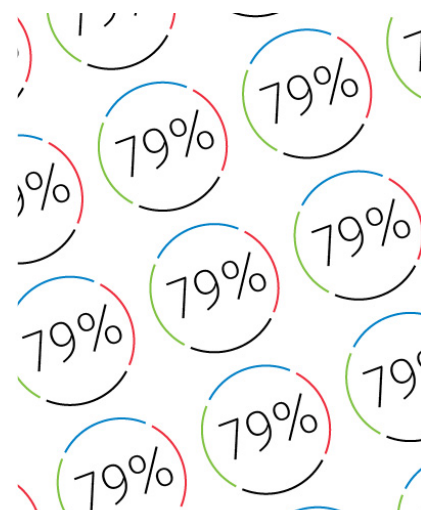
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