

French Court Rules on Patent Revocation Interest to Sue, Statutes of Limitation

IN SHORT

The Situation: In France, actions for patent revocation are subject to strict rules regarding interest to sue and to a five-year statute of limitation.

The Impact: This decision confirms that French courts control the claimants' interest to sue for patent revocation actions and that not anyone can initiate such action, and also that the notification of the patent triggers the five-year statute of limitations for patent revocation actions.

Looking Ahead: The decision points to the belief that the starting point of the statute of limitation applicable to patent revocation actions cannot be the publication date of the patent, as such rule would unrealistically oblige third parties to monitor every patent in their domain of activity.

On April 28, 2017, the French tribunal de grande instance de Paris issued an interesting decision regarding both standing to sue and statute of limitations applicable to patent revocation actions.

Background and Procedural History

Zodiac Aerotechnics is the holder of European patent No. 2 004 294, filed on April 13, 2006, published on October 25, 2007, and granted on July 21, 2010, which relates to a respiratory gas supply circuit for aircraft-carrying passengers.

On September 2, 2011, Zodiac Aerotechnics brought its patent to the attention of Aerospace Systems, asking whether the latter developed products claimed in the patent.

On October 19, 2012, Aerospace Systems initiated an action for the revocation of the German designation of Zodiac Aerotechnics's European patent, before the *Bundespatentgericht*, and on May 6, 2014, the *Bundespatentgericht* revoked the German designation of this patent.

Aerospace Systems wrote to Zodiac Aerotechnics to mention that a similar action would be initiated in France, unless Zodiac Aerotechnics agreed to abandon the French designation of its patent or to grant it a royalty free license. Because Zodiac Aerotechnics did not comply with Aerospace Systems's request, the latter initiated a patent revocation action in France on June 30, 2015.

Zodiac Aerotechnics disputed the claimants' right to sue and opposed the statutes of limitation to dispute the admissibility of Aerospace Systems' claims for patent revocation.

The court indicated that, in order to sue for patent revocation, the claimant must show a sufficient interest to free the patented technique from any patent protection and demonstrate that the patent is an actual threat to its economic activity.

On the Standing to Sue

Zodiac Aerotechnics disputed the claimants' standing to sue by arguing that it did not demonstrate that the patents at issue could be an obstacle to products or activities it developed in France or under development by the claimant in France.

In order to be admissible to sue for patent revocation...

The court indicated that the claimant must show a sufficient interest to free the patented technique from any patent protection and demonstrate that the patent is an actual threat to its economic activity.

The court then considered that, in this matter, these conditions were satisfied because:

- The parties were competing in the market of airplane equipment supply, in particular a respiratory gas supply circuit;
- There is an objective link between the claimant's products and the invention covered by the patent; and
- The claimant demonstrated that it was working on the development of products not yet marketed, but in relation to which the patents could be a concern.



This decision confirms that the French court strictly controls the interest of claimants to sue for patent revocation and that not anyone can initiate such an action.

It confirms a previous decision of the *cour d'appel* de Paris of February 17, 2012, which considered that claimants in a patent revocation action must prove an intention to practice the patented technology and that such intention is affected by the patent.

On the Statute of Limitation

Actions for patent revocation are now subject to a five-year statute of limitation because Article 2224 of the French Civil Code as amended by the French Act of June 19, 2008, provides that "Personal actions or movable rights of action shall be time-barred after five years from the day the holder of a right knew or should have known the facts enabling him to exercise his right" and because actions for patent revocation are considered to be personal actions within the meaning of this Article.

The Court of Paris specifically confirmed that this provision applies to patent revocation actions, even if this results in such actions being possibly time barred.

A Change of Position

The position of French courts regarding the starting point of the statute of limitation has changed:

- The French Court first considered that the "day on which the claimant knew or should have known the facts enabling it to initiate the action" is the day of publication of the patent application; and
- Courts now consider that this day should be examined *in concreto* in view of the activity of the claimant.



Zodiac Aerotechnics argued that the claimant should have initiated its action less than five years from the date of the publication of the international patent application—in 2013—so that the action initiated on June 30, 2015, was time barred.

In its decision of April 28, 2017, the Court of Paris explains that the analysis *in concreto* of the starting point of the limitation period requires a determination of the date at which the claimant *knew or should have known the patents at issue*, in view of its products and activities, and that this date is the date on which the patent was a threat or was of interest to the claimant. The court concluded that this starting point cannot be the date of the patent's publication since that would unrealistically oblige third parties to monitor every patent in their domain of activity.

In the present case, the court concluded that it was only when the patentee brought its patent to the attention of the claimant that the claimant knew the facts enabling it to initiate the patent revocation action, so the action was not time barred. It can therefore be concluded that the notification of a patent triggers the five-year statute of limitation for patent revocation action.

This decision could give additional reason to patentees to notify their patent rights to possible infringers.

THREE KEY TAKEAWAYS

1. The Court of Paris specifically confirms that the patent revocation action should be considered to be personal actions within the meaning of Article 2224 of the French Civil Code, even if it results in such actions being possibly time barred.
2. Claimants in patent revocation actions must prove an intention to operate the patented technology and that such intention is affected by the patent.
3. An analysis *in concreto* of the starting point of the limitation period is established in France, which requires a determination of the date at which the patent was a threat or was of interest to the claimant.

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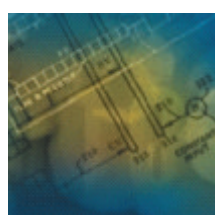


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