

INTELLECTUAL PROPERTY LAW

February 2008

Publication of Act n°2007-1544 dated 29 October 2007 on anti-infringement measures

The anti-infringement Act, which transposes European Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights into French law, establishes provisions regarding the simplification of proceedings (1), regarding the right of victims of infringement to obtain information on the perpetrators of the infringement relating to the strengthening of penalties (3).

1. The simplification of proceedings

The Act provides for proceedings to prosecute infringing parties which are now common to all types of intellectual property rights, viz. copyright, software, brands, drawings, and designs but also the rights of database producers for whom no summary application proceedings existed before.

The harmonisation move also affects procedures to establish an infringement of intellectual property. Indeed, (i) the two-week timeframe in which to bring trial court proceedings after the procedure to establish an infringement of intellectual property shall be extended by means of a Decree, (ii) if this timeframe is not complied with, the actual or descriptive seizure procedure shall be deemed to be null and void by operation of law and (iii) the use of experts has been extended to cover all seizure procedures with the exception of literary and artistic property seizure procedures.

Finally, the Act provides that disputes regarding intellectual property shall be brought before specialised courts the list of which shall be finalised by means of a Decree made in the French Council of State.

2. Victims' right to information

The Act establishes, for the benefit of all owners of intellectual property rights, new statutory provisions requiring that jurisdictions before which civil proceedings are brought must order, upon the request, and if necessary under penalty of coercive fines, the production, during the procedure or at its end, of all documents and information for the purposes of determining the origin of the infringing products and their distribution networks.

The documents and information sought are to be with regard to (i) the names and addresses of producers, manufacturers, distributors, suppliers and other previous holders of the products or services, and also those of wholesalers and retailers, and also with regard to (ii) the quantities produced, marketed, delivered, received and ordered.

3. Re-evaluation of compensation amounts

Traditionally, damage amounts are calculated in view of the pecuniary and non-pecuniary harm suffered, which includes profits generated by the infringing party.

What is novel is that the new Act authorises courts before which civil proceedings are brought to award to the injured party, upon request a lump-sum amount which takes into consideration negative financial consequences – including lost earnings – to which the injured party was subject, but also profits generated by the infringing party and non-pecuniary harm suffered by the owner of rights as a result of the violation.

Thus, judges can notably take into consideration as regards compensation of the injured party the amount of royalties the infringing party would have had to pay within the framework of a licensing agreement. Similarly, judges can render judgments ordering infringing parties to withdraw from the market, at their expense, all of the infringing goods.

Even though the European Directive regarding criminal law measures (no. COD/2005/0127) to harmonise the penalties to which infringing parties are liable is still pending, this new legislative “building block” has the merit of giving previous practices and case law which is frequently applied a clear grounding in legislation.

The new Act should encourage victims of cross-border infringements to choose to bring cases before French jurisdictions, due to the effectiveness and the low cost of the procedure, but also and above all due to the upwards revision of the damage amounts which could be awarded to them.

AREA OF LEGAL PRACTICE

• **MERGERS & ACQUISITIONS**

Engineering of takeovers and deal structuring, legal due diligence, restructuring operations, joint ventures, obtaining necessary administrative permits and licenses, drafting and negotiation of documentation (letters of intent, sale & purchase agreements, warranties that assets and liabilities are as stated, bank guarantees, shareholders' agreements, etc.), merger deals, takeovers of companies in difficulty or in the framework of collective procedures.

• **CAPITAL INVESTMENTS AND LBOs**

Representation of investment funds, issuers, targets and company officers, during the due diligence, advisory and negotiation processes.

• **COMPANY LAW**

"Long-term capital" transactions, capital increases, issuance of composite securities (convertible or repayable in shares, investment certificates, priority dividend shares etc.), stock option agreements, company founder share plans, temporary business combinations, management fees and cash management agreements, changes to charter/by-laws and legal secretariat services.

• **SECURITIES LAW**

IPOs and preparatory work, drafting of prospectuses, legal secretariat services for listed companies, relations with market authorities, securities litigation.

• **BANKING AND FINANCE**

Advice on loan and financing agreements, warranties/guarantees, syndication, banking regulations, financing of acquisitions and structured asset financing (particularly of real estate).

• **COMMERCIAL CONTRACTS / ECONOMIC LAW**

Advice and litigation with commercial contracts, i.e. service, sale, distribution, concession, franchise, commercial agent agreements, distributor/supplier relations, general terms of purchase/sale, commercial partnerships, manufacturing and subcontracting agreements, business sale agreements, management leases, consumer law, public and private procurement contracts.

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Advice and litigation work covering all facets of business, company and securities law, as well as collective procedures and white-collar crime. Representation at all stages of the dispute, from pre-litigation to litigation before judicial or arbitral courts, protective measures and enforcement.

• **REAL ESTATE LAW**

Advice and litigation work in connection with commercial leases, real estate due diligences, purchase/sale of property and of preponderantly real estate companies, financing of real estate acquisitions.

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• **COMPETITION LAW (FRENCH AND EU)**

Advice and litigation work in respect of industrial cooperation agreements and structuring of distribution networks. Advice and representation before the competition authorities and courts in cartel, anti-competitive practices, abuse of a dominant position and unfair competition cases. Advice on the control of concentrations (conduct of feasibility studies, preparation of notification files, negotiation with the national and Community control authorities) and on State aids/subsidies.

• **NEW TECHNOLOGIES AND INTELLECTUAL PROPERTY LAW**

Advice and litigation work, notably in IT matters (development and integration of software, licenses, assignments and other software-related contracts, facilities management, maintenance of IT systems and software, software infringement), in the field of new technologies (multimedia, Internet, e-commerce). Creation and hosting of websites, affiliation, partnership, online auctions, ASP licenses.

• **INTELLECTUAL PROPERTY**

Literary and artistic property rights & neighbouring rights. Distribution license, rights of performing artists, infringement litigation. Industrial property, trademark, patent and/or design and model applications, licenses and assignments, transfers of technology and/or know-how, trademark, patent and/or design and model litigation (infringement, opposition proceedings, etc.).

• **AUDIOVISUAL AND MULTIMEDIA LAW**

Advice and litigation work in connection with the production, publishing, co-production, distribution and licensing agreements, in France and abroad, of motion picture and/or audiovisual and/or multimedia works and related agreements. Navigation of audiovisual and motion picture regulations and assistance with financing.

• **TELECOM**

Legal advice and preparation of applications for telecom operator licenses, legal aspects of foreign investments in the telecom sector, link leasing (cable and fibre), co-leasing, leasing of capacity, service and/or capacity supply agreements and general terms of service and/or capacity supply, legal aspects and local loop unbundling.

• **COLLECTIVE PROCEDURES**

Alert, restructuring and reorganisation procedures, conciliation and ad hoc representation procedures. Court-ordered reorganisation, preparation of reorganisation plans, sale and recovery plans, liquidation. Representation and assistance of creditors, company officers (action to make good the shortfall in assets, extension procedures, etc.).

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