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IN MAY DO WHAT YOU LIKE: FRANCE IS PREPARING FOR THE UPC ... AND SURPRISES WITH THE DISAPPEARANCE OF A STATUTE OF LIMITATIONS

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An ordinance^[1] modifying the Intellectual Property Code (IPC) has just been published in the Official Journal. It aims at harmonizing the IPC in accordance with the legal texts implementing the unitary patent and the Unified Patent Court (UPC).

This ordinance will enter into force, like the agreement on the UPC, the 1st day of the 4th month following the German ratification.

This ordinance comes a few days after the ratification of the Agreement by the UK in a context where Brexit had cast doubts about the possibility of such a ratification and thus, on the continuation of the project. As from today, entry into force of the UPC Agreement only awaits ratification by Germany which will not intervene before the decision of the German Constitutional Court, which must decide whether the Agreement is in conformity with the constitution.

Several subjects raised in the ordinance will definitely have an impact on patent litigation, and on the patent practitioners regarding litigation and contractual issues. Notably, the ordinance states that:

- dual protection is possible with a French patent and a European patent not subject to opt-out,
- the concept of exhaustion of rights is amended : the consent of the patent holder as to the first commercialization of the product, does not need to be necessarily stated,
- the possibility for a non-exclusive licensee to initiate an infringement action (if the license allows for it and the licensee informs the patentee before initiating the action), or
- the patent invalidity action f is not subject to a statute of limitations.

This last provision is a surprise since it is introduced in an ordinance which does not really deal with statute of limitations (as a "rider" or "cavalier législatif in French). New article L 618-5-1 IPC does not concern the UPC per se and provides for the absence of any statute of limitation for any type of patent: European patents, European patents with unitary effect and French patents.

This provision is all the more surprising that statute of limitation for nullity action is a hot topic for both academics and the courts. The very application of the general statute of limitation of article 2224 of the civil code has been put into question and the starting point of it has always been a hot topic. In their current case law, the First Instance Court and the Court of Appeal of Paris apply article 2224 of the civil code the patent nullity actions and assess an application "*in concreto*"^[2] for the starting point.

Even though the official website giving the applicable law (legifrance.fr) indicate that the ordinance is already in force^[3], its provisions and its rules of application will enter into force when a dedicated decree will be published.

It is to be noted that new Article L615-8-1 IPC will not apply to actions already time-barred at the date of the entry into force of the ordinance.

To sum up:

- an ordinance of May 9, 2018 prepares the entry into force of the UPC and amends the IPC ;
- the ordinance will impose the non-applicability of the statute of limitation to patent invalidity actions for all patents (not only to those with unitary effect) ;
- the non-exclusive licensee will be able, if stated in the license agreement, to file infringement actions.

[1] Ordinance No. 2018-341 of May 9th, 2018 relating to the European patent with unitary effect and the Unified Patent Court

[2] Art 2224 French civil code

