



When the owner of an intellectual property right considers that one of its competitors is committing acts of infringement, it may be tempted to communicate about his actions that it is taking to stop the alleged infringement by this competitor, if only to reassure its customers and distributors, whether actual or potential. This temptation for the right holder is however tempered by the jurisprudential notion of disparagement.

While case-law had already allowed the right holder to publish a release on a court decision in his favour (a conviction for infringement), a decision of the Paris Court of Appeal of 3 March 2020 has further relaxed the conditions for such a communication, with regard to disparagement [1].

1) Disparagement, a limit to the communication around infringement cases

Disparagement is sanctioned by case-law on the basis of Article 1240 of the French Civil Code, as an act of unfair competition. Generally speaking, it consists of publishing information to discredit a competitor [2]. A disparagement may be established even in the absence of a situation of direct and effective competition between the persons at hand. However, disparagement is not established in case the information relates to a matter of general interest, has a sufficient factual basis, and is expressed to a certain extent [3].

The perpetrator may be ordered to cease the disturbance, and may also be liable for damages.

Three conditions must generally be fulfilled for a disparagement to be established:

- The statement must have been made public (which is not the case for internal documents).
- The statement must refer to an identifiable company, its trademarks or its products/services.
- The statement must be pejorative (which devalues the company in the eyes of its clientele).

During an infringement dispute, the right holder may wish to communicate about an infringement by his competitor at several stages: at the pre-litigation stage, following an infringement seizure ("*saisie-contrefaçon*") or the service of a writ of summons, or following a court decision (be it final or not). The communication may take different forms: the sending of a notice letter to a competitor's client, the sending of a circular letter to a list of contacts or prospects (generally common), or the publication of a press release on its own website. The courts will assess on a case-by-case basis whether the communication amounts to an act of disparagement.

2) The possibility to communicate about an infringement decision, "except in case of abuse"

Where infringement litigation has been initiated, the most prudent position is to wait until a court decision is rendered before considering any communication about the litigation for the first time.

Thus, in a decision of 18 October 2017, the French Supreme Court ("*Court de cassation*") established the principle that a victim of infringement may, at his own expense, take any measure to publish the decision rendered in his favour, "*except in case of abuse*" [4]. The question is then to know what such "abuse" may consist of.

In this case, the patentee had published on its website a document entitled "*Legal information note Newmat v. Normalu Barrisol – Conviction for patent infringement relating to a profiled part for hanging a stretch ceiling*", which reproduced the ruling of the infringement decision, with two exceptions (the absence of mention of the appointment of an expert, and the mention of a well-known trademark of the convicted competitor). The Paris Court of Appeal had initially considered that the text "*is neutral in its presentation*" and "*contains no comment*". It then considered that the first exception to the ruling was not such as to mislead the reader "*as to the exact scope of the decision or its reasons*". However, it found that the second exception – the mention of a well-known trademark of the convicted competitor – had "*increased the impact of the publicity given to the judgment beyond the limits resulting from the terms of the judgment itself*". It therefore found that there was a disparagement, and ordered the patentee to pay 5,000 euros for damages [5]. In its decision of 18 October 2017, the French Supreme Court dismissed the appeal against the decision from the Paris Court of Appeal.

Thus, an "abuse" could be established by the mere mention of a well-known trademark of the convicted competitor which was not mentioned in the ruling of the decision. Conversely, it may be thought that the faithful reproduction of the ruling of the judgment, without the slightest modification, would not have been considered as an "abuse" and therefore as a disparagement. The flexibility for the right holder therefore seemed limited.

3) Towards more flexibility before a communication turns into an "abuse"

A recent decision of 3 March 2020 of the Paris Court of Appeal seems to give more flexibility to the right holder regarding a potential "abuse" in his communication.

Indeed, in this case, JCB had sued Manitou for patent infringement before the Paris First Instance Court ("*Tribunal de grande instance de Paris*"). During the proceedings, JCB had obtained a preliminary injunction from the Case Management Judge against Manitou regarding the manufacture and the marketing of certain products at hand, pending a decision on the merits. Shortly after that, just before an international trade show, JCB issued a press release in English to report on the order rendered a few days earlier.

In order to stop what it considered as a manifestly unlawful disturbance, Manitou had requested to the President of the Paris Commercial Court that JCB be enjoined to stop publishing this press release. This request was dismissed in first instance, and then in appeal by the Paris Court of Appeal.

Yet, the JCB press release seemed particularly virulent (underlining added):

"JCB wins court injunction to stop patent infringement

JCB has been granted a preliminary injunction by a French court against Manitou which orders the company to stop producing telehandlers featuring a patented JCB productivity device.

The ruling by the Judge at Court of the First Instance in Paris means that the company, based near Nantes, cannot manufacture, sell or lease telescopic handlers equipped with the patented feature.

JCB CEO Graeme Macdonald said: "We invest many millions of pounds in developing and patenting innovative and sophisticated engineering solutions which benefit our customers all over the world. We will not tolerate any copying or infringement of our intellectual property rights wherever in the world they occur."

During operation of Loadall telescopic handlers fitted with JCB's patented Longitudinal Load Moment Control (LLMC) system, sensors monitor the weight being retained on the rear axle. If the sensors detect the rear axle weight is reducing past a pre-set threshold, then the system gradually locks out the hydraulics to prevent further weight being transferred from the rear axle to the front, therefore avoiding the machine tipping forward.

To allow operators to drive continuously without any loss of productivity, JCB has a patented feature on its LLMC system that automatically disengages the device while the machine is moving (EP 2 263 965). This feature prevents JCB's telehandlers unnecessarily locking out the hydraulics and giving false indications of instability when the machine is simply re-handling or travelling over rough ground. It is the use of this feature the French court has ordered Manitou to cease by March 13th. The court also ordered Manitou to pay costs in the case."

In this press release, JCB has not faithfully reproduced the ruling of the Case Management Judge's order, going so far as to expand the injunction measures ("manufacture, sell or lease", and then "use"), while suggesting that Manitou was clearly an infringer (when the injunction was only "provisional") and had been heavily punished from a financial standpoint (when it was only ordered to reimburse "25,000 euros" out of the EUR 80,000 procedural costs claimed by JCB) [6].

However, the Paris Court of Appeal ruled that (underlining added):

"Despite the deliberately simplified title of this press release, this press release and its contents merely inform Internet users, in terms that are not excessive, of the existence of a court decision rendered for the benefit of JCB a few days earlier and which granted an injunction against Manitou, the provisional nature of which is expressly reminded in the second line of the press release, to produce telescopic forklifts including a patented device, it being noted that the last paragraph of the press release specifies the number of the patent concerned (EP 2 263 965) and the system precisely covered by the prohibition.

In this regard, contrary to what Manitou maintains, since this court decision was public, it could be published even though the injunction measure and therefore the decision pronouncing it is "provisional", and even though the information in question does not relate to a matter of general interest, the disputed press release does not in this case call into question any right to freedom of expression, but merely the right to make public a decision, even a provisional one, pronounced in its favour.

The fact that this press release did not specify that the decision was made by a "Case Management Judge" (...) is not such as to confer on this press release a misleading character on the nature of the decision, such a degree of precision being of interest only to a well-informed reader who is familiar with French civil procedure, who was not the one particularly targeted by this press release.

Likewise, the fact that the ruling of that decision has not been reproduced in its entirety (...) is not such as to render misleading the information thus published, which was directed solely at patent EP 2 263 965, for the protection of which the court did indeed issue a measure of preliminary injunction.

The lack of details on the remedies that could be brought against this decision, which were moreover questionable insofar as it was an order issued by the Case Management Judge, can no more contribute to establishing an act of disparagement, even though it is expressly stated that the measure ordered is "provisional". (...)

In light of these elements, and despite the date on which this press release was published, a few days before the holding of a trade show bringing together professionals in the sector, which shows a deliberately offensive commercial strategy from JCB, the manifest unlawfulness of the disturbance that this press release may have caused is not sufficiently established.

Consequently, the order of the Commercial Court will be confirmed."

The input of this recent decision is that it would be possible to communicate on a decision pronounced while:

- the dispute has not been ruled even once on the merits;
- the content of the press release is deliberately simplified;
- the date on which the press release is published is particularly offensive; and
- the release does not explicitly mention the legal remedies against this decision and their deadlines.

As a result of this decision, it may therefore be thought that the right holder would now have greater flexibility when it comes to communicate on an infringement decision in his favour.

The same solution should apply to a competitor who would have managed to resist an infringement action, but only in the case of a French decision (national laws on disparagement may differ).

We will soon publish an article summarizing good practices for intellectual property right holders regarding their will to communicate on an infringement dispute, depending on the stage of the dispute.

[1] Paris Court of Appeal, 3 March 2020, Manitou v. JCB, docket no. 19/12564.



[2] French Supreme Court, 24 September 2013, ADG v. K France, docket no. 12-19790.

[3] French Supreme Court, January 9, 2019, Plicosa v. Shaf, docket no. 17-18350.

[4] French Supreme Court, October 18, 2017, Normalu v. Newmat, docket no. 15-27.136.

[5] Paris Court of Appeal, division 5, 21 May 2015, Normalu v. Newmat, docket no. 2014/01155.

[6] Paris First Instance Court, CMC order, 31 January 2019, JCB v. Manitou, docket no. 17/06462.
