

ARTICLE

SONY COURT OF CASSATION RULING OF APRIL 24, 2024: ADMISSIBILITY OF INFRINGEMENT CLAIMS EVEN FOR EVENTS OCCURRING PRIOR TO REGISTRATION OF THE ASSIGNMENT.

Patent Law | 22/05/24 | Grégoire Desrousseaux Geoffrey Grandjean Océane Millon de La Verteville

TECH & DIGITAL

Registration of the assignment in the National Patent Register (NPR) enables the assignee of a patent to enforce the assigned patent against third parties in an infringement action. However, one question was still widely debated: once the registration has taken place, which acts of infringement can the assignee obtain compensation for? Only those committed after the registration? Or also those committed between the date of the assignment and the date of registration? Or even those committed before the date of the assignment? In a ruling dated April 24, 2024 (appeal no. 22-22.999), the French Supreme Court (Cour de cassation) opted for the broadest answer, no doubt prompted by the CJEU's 2016 rulings in Hassan and Phillipscases – which relate to trademarks and register designs – that a licensee may bring proceedings alleging infringement of the intellectual property which is the subject of the licence, although that licence has not been entered in the register[1].

This ruling of the Supreme Court has been taken in appeal of a decision by the Paris Court of Appeal on 9 September 2022, in a dispute between some companies part of the Sony group, in particular the Japanese company Sony Interactive Entertainment Inc. ("Sony JP"), owner of the patents at stake, and the French company Subsonic.

The origin: the classic situation of patents assigned as part of a universal transfer of intra-group assets which included intellectual property rights, but not registered at the date when the infringement case was launched.

The defendant argued that Sony JP lacked standing to sue, on the grounds that (i) it had not provided proof of the universal transfer of assets by which it claimed to have been assigned the patents in 2010, and (ii) that in any event, the intra-group transfer alleged to have taken place as part of this universal transfer was not registered in the National Patent Register (NPR) until after the summons, and therefore the patents were unenforceable at the date when the infringement case was launched, and Sony JP was therefore inadmissible for all facts occurring prior to the registration.

This argument enabled Subsonic to dismiss all Sony's infringement claims, since in this case, all the alleged infringing acts predated the registration of the assignment.

At first instance, the court ruled that Sony JP was inadmissible on the first ground: it had not provided proof that it was the owner of the patents[2].

On appeal, Sony JP produced new documents, on the basis of which the court found that, contrary to the lower court, the proof of the 2010 universal transfer of assets had indeed been provided[3]. On the other hand, noting that the transfer had been registered in the NPR 18 months after the introduction of the action, the court followed the defendant's argument, holding that Sony JP was not, at the date the infringement case was launched, the owner of an IP right enforceable against third parties and was therefore not, at that date, entitled to bring an infringement action. The Court of Appeal also considered that *"if, as provided for in article 126 of the French Code of Civil Procedure, a plea of inadmissibility can be regularized in the course of proceedings, such regularization can only have effect in respect of acts committed subsequent to the registration made"*. Sony was therefore declared inadmissible to bring an infringement action for all acts committed prior to registration, i.e. for all acts alleged to be infringing in this case.

Referring to articles L.613-9 first paragraph, and L.615-2 first paragraph, of the French Intellectual Property Code and article 126 of the French Civil Procedure Code (CPC), the Supreme Court begins by reiterating the now well-established principle that, as long as the transfer has not been registered in the NPR, the successor in title (in this case, the assignee) cannot invoke the patent rights arising from the date of the contract which transferred ownership of the patent to him, and is therefore not entitled to bring an infringement action[4]. This reaffirms the importance of registration as a precondition for action.





However, the French Supreme Court then overturned the reasoning of the Court of Appeal, which considered that from the date of registration in the NPR, the assignee was only entitled to sue for infringement committed after registration.

The French Supreme Court has ruled that, from the date of registration, the assignee is entitled to bring an infringement action for compensation (i) for the damage caused to him by acts committed since the transfer, and (ii) if the deed transferring the rights so specifies, for the damage caused to him by acts committed prior to the transfer.

It is not surprising that the assignee can act against acts committed prior to the transfer if the deed of assignment of the patent provides for an assignment of the right to act for facts prior to the assignment, in this case the assignee is subrogated to the assignor's right to act.

On the other hand, it is more surprising that in the case of a registration made during the course of the proceedings (regularization hypothesis), the assignee is entitled to take action not only against acts committed since the registration, but also against acts committed between the date of the transfer and such registration.

In conclusion, this decision is very favorable to assignees who may have delayed registering the assignment. Nevertheless, it would seem sensible to encourage any assignee (i) to include in the assignment deed the possibility for the assignee to bring an infringement action for facts predating the assignment, and (ii) to register the deed in the NPR as soon as possible. Firstly, one does not yet know how judges will react to the Supreme Court decision. Secondly, registration is still required to request a seizure^[5] (“saisie-contrefaçon”) and, as the seizure procedure is distinct from the proceedings on the merits, if the regularization takes place during the proceedings on the merits, it is only valid for the latter and not for the previous seizure procedure, which has been closed since the decision which allowed the seizure. Lastly, counterfeiters could argue, by analogy with the foreclosure referred to in paragraph 2 of article 126 of the CPC, that only the registration in the RNB (and not the summons) interrupts the statute of limitations.

[1] CJEU, Feb. 4, 2016, case C-613/15 and CJEU, June 22, 2016, Case C-419/15

[2] T Paris 3.2, Sept. 4, 2020, RG1701825

[3] CA Paris 5.2, Sept. 9, 2022, RG20/12901

[4] See in particular Cass Com 10 Jul 2007, pourvoi 06-12056

[5] Cass. com., Oct. 31, 2006, no. 05-11.149
