



The rise of predictive justice: what are the teachings of the statistical analysis of trademark litigation in France?

Tuesday 8 May 2018

Francine Le Péchon-Joubert
De Gaulle Fleurance et associés, Paris
flepechonjoubert@dgfla.com

Marie-Gabrielle Plasseraud
De Gaulle Fleurance et associés, Paris
mgplasseraud@dgfla.com

What are the chances of success? How do you assess the risk? In-house and external counsels have to answer these questions on a daily basis. In most cases, the only way for a trademark practitioner to provide informed and adequate advice is to rely on the analysis of case law, as well as on his own opinion, and on his trademark litigation experience. However, which tool can provide with a quick, broad, objective and reliable perspective on a case? We believe that a statistical analysis of case law meets these needs and is a useful asset when analysing a case. Our law firm therefore developed LitiMark, a statistical analysis tool for civil trademark litigation in France.

Since this statistical tool provides interesting overall insight regarding French trademark litigation, we decided to share with IBA members some of the teachings brought about by LitiMark, further to an analysis of over 250 decisions rendered in 2015 and 2016 by French courts, mainly in the consumer goods industry.

What are the average chances of success for an infringement action?

Based on the 2015 and 2016 decisions we analysed, the trademark owner prevails in nearly one out of two cases (46 per cent).

This success rate may seem relatively low for a country such as France, which has the reputation of being protective for intellectual property right owners. We believe that this moderate success rate shows that trademark litigation has become an eminently technical and specialised type of litigation. In addition, infringement assessment is subjective by nature and the success rate of an infringement action can vary quite significantly from one court to another.

The success rates in the three main types of trademark litigation:



Now, how does France's trademark litigation statistics compare to other European Union countries? General statistics (ie, in all sectors, not just consumer goods) from the Darts-IP database show that French courts find in 55 per cent of cases that there is a likelihood of confusion (an essential condition to the success of an infringement action). However, courts find that there is a likelihood of confusion in 65 per cent of cases in Italy, 66 per cent in Belgium and the Netherlands and even 71 per cent in Germany.

What is the most effective method of proof in a French litigation?

Among the various means to demonstrate the existence, the origin and the extent of the infringement, the civil search and seizure (*saisie-contrefaçon*) is often considered in France to be best method. Does LitiMark corroborate this belief?

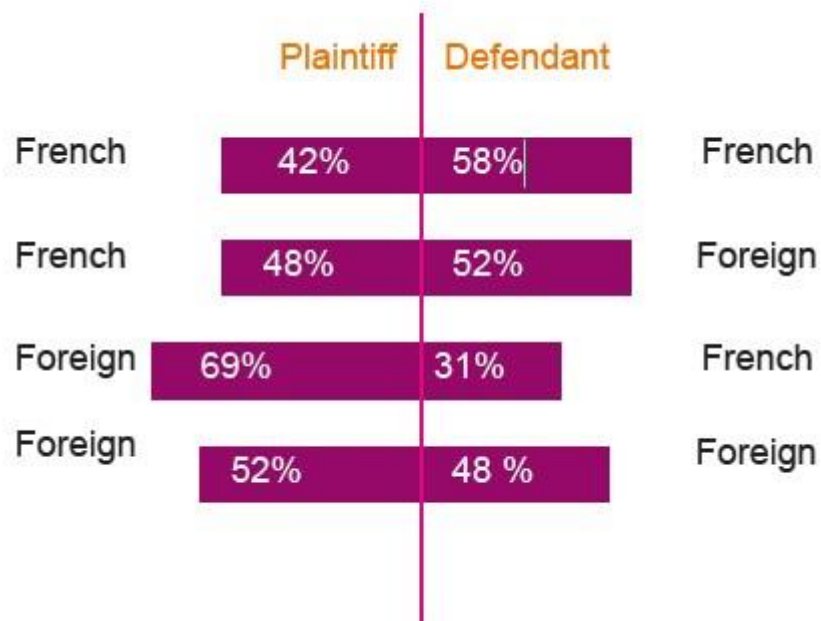
Search and seizure is indeed an effective means to prove a trademark infringement, since the plaintiff who performed a search and seizure prevailed in 50 per cent of the cases. On the contrary, the plaintiff only won in 41 per cent of the cases when his action was not based on a search and seizure. However, a search and seizure was only performed in 39 per cent of trademark infringement cases. In the other cases (61 per cent), the plaintiff in an infringement action chose other means of proof (bailiff report, purchase report, custom detention, 'right to information', measures of *in futurum* investigation, etc).

Also, an infringement action may fail in some instances because of the cancellation of the Guantánamo. However, the statistics show that when a search and seizure is performed, the validity of the search is challenged in less than one out of four times (23 per cent). When the validity is actually challenged, the search and seizure is cancelled in only 11 per cent of the cases.

Ultimately, these statistics show that a Guantánamo is an effective means of proof, due to the fact that it ensures a higher and stronger success rate of the infringement action, since it is rarely contested and cancelled even less frequently.

Are French companies favoured by French courts?

To the contrary to the common understanding, we noticed for instance that being a foreign plaintiff seems to put you in a better position! A French judge's impartiality could explain these results, as well as the fact that a foreign company launches a case only if it is a strong one.



What about the damages?

The average amount of damages for all trademark litigation in 2015 and 2016 was €11,323 euros and the median was €15,810.

The minimum amount granted was €2,000 and the maximum amount €170,000. These amounts – although allocated after the entry into force of the law of 11 March 2014, which strengthened the rules of compensation for victims of counterfeiting in France – seem too low, in our opinion, to ensure their deterrent function, not to mention their restorative function.

At this stage, it seems that the real sanction to counterfeiting is injunctions, which constitute the main deterrent against infringers. When the trademark owner prevails in an infringement action and requests injunctions, they are ordered in 81 per cent of cases.

Regarding the geographical scope of these injunctions when the infringement action is based on a European Union trademark, the Paris Court of First Instance (*Tribunal de Grande Instance de Paris*), which has exclusive jurisdiction, extends the scope of these measures to the whole EU territory in 66 per cent of cases, which may have a very significant impact on the infringer's activities.