

# How to handle a Descriptive Seizure ?

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## Descriptive Seizure : what and why

- Directive 2004/48 EC on the enforcement of intellectual property rights
- *"Given that evidence is an element of paramount importance for establishing the infringement of intellectual property rights, it is appropriate to ensure that effective means of presenting, obtaining and preserving evidence are available."* (Recital 20)
- Article 7 : Measures for preserving evidence

## Descriptive Seizure : what and why

- Such measures may include a “detailed description” of the infringing goods or the materials used in the production or distribution of the infringing goods
- And the “physical seizure” of the infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto
- “if necessary without the other party having been heard”, for example “where there is a demonstrable risk of evidence being destroyed”

## Descriptive Seizure : what and why

- Typical cases :
  - You learned that counterfeited items are distributed by an obscure company
  - You need to act fast and “by surprise” to avoid that the items and the evidence disappear

## Descriptive Seizure : what and why

- Typical cases :
  - You own a patent claiming a method to produce a specific product
  - Your competitor is producing the same product
  - Does he/she apply the method ?

## Descriptive Seizure : what and why

- In Belgium:
- Articles 1369bis/1 – 10 of the Judicial Code: *saisie en matière de contrefaçon / beslag inzake namaak*
- Applies for all kinds of IPR infringement
- Low requirements (indication of infringement)
- Ex parte by nature (take by surprise)
- Powerful (no possibility to delay/avoid collaboration with the expert – give the information first and file an opposition)

## Descriptive Seizure : what and why

- The expert may gather all evidence that he/she deems relevant to establish the alleged infringement, its scope, its origin and destination.
- He may access all documents (incl. invoices, internal memos, emails), with the only exception of privileged information.
- He may ask to obtain access to a company's internal systems
- Failure to comply may lead to financial penalties (if specified in the order)
- The expert may be accompanied by one or more persons (if specified in the order)

## Descriptive Seizure : what and why

- The expert will then submit a **report** (in principle within 2 months)
- The plaintiff must decide whether it wishes to start a proceeding on the merits within a fixed deadline (max. 20 working days or 31 days whichever is the longest)
  - If yes, the plaintiff may use the report in the proceeding
  - If no, the report remains confidential



## Case study

- Tomorrow, at 10.30 AM, a bailiff and two other persons come at your premises to serve a Court order.
- One of them is a court appointed expert and the other is an IT specialist
- They ask to talk to the person responsible for the XYZ Product
- What do you do ?

## Case study

- Welcoming the expert
  - Reception should
    - call Legal (a list of names persons be available with a priority order)
    - prepare badges
    - make sure that an **empty** room is available to welcome them
    - refuse to let them in until legal has arrived to bring them to the room

## Case study

- Reviewing the order:
  - As soon as possible, Legal will review the order, which will consist of :
    - Either a longer court order
    - Or, a petition + a shorter court order (example)

## Case study

- Reviewing the order:
  - Who may be present
    - The expert + the bailiff (he will usually stay during the entire operation – he could be used to record statements/agreements)
    - A “specialist” (IT/Accounting/Engineer) (only if specifically authorized by the order )
    - Counsel /prepresentaive of the plaintiff (only if specifically authorized by the order)
    - The police (when potential security issue) and a locksmith (if doors are closed)

## Case study

- Reviewing the order:
  - What is the alleged infringement ?
    - It may not be apparent from the order (check the petition)
    - Do not provide any information that is not related to the alleged infringement (this is not a fishing expedition)



## Case study

- Reviewing the order:
  - What is the expert entitled to do ? **Description**
    - In general terms : describe all evidence that he/she deems relevant to establish the alleged infringement, its scope, its origin and destination.
    - Sometimes, more specific terms or obligations, subject to penalties :
      - see template order
      - penalties may become the biggest liability

## Case study

- Reviewing the order:
  - What is the expert entitled to do ? **Seizure**
    - In principle, the Court could allow the sealing of the equipment used to commit the alleged infringement
    - Risk exists but unlikely because:
      - the Court may decide to hear Proximus beforehand (and should do so in this case)
      - the Court must take into account all interests, including the public interest
      - For at least two of the patents, they are SEP (competition law aspect)

## Case study

- Agreeing with the expert on the next steps:
  - it is difficult to predict how the expert will behave
    - No official list of approved experts (although we often see the same people, they have various backgrounds – consultant, patent attorney, trademark attorney etc...)
    - Experts should be independant but sometimes consider that they are working for the plaintiff
  - Always start with a discussion on how the expert sees his/her mission before providing any information



## Case study

- Agreeing with the expert on the next steps:
  - Best case scenario :
    - The expert is satisfied with the information that we prepared in advance and that has been pre-approved
      - Documents describing the systems used by Proximus (marked as confidential)
      - Report showing the number of lines in which the alleged infringement occurs.

## Case study

- Complex case scenario
  - The expert wants more :
    - More information, including information that Proximus does not want to share (e.g. copy of source code)
    - To interview Proximus personnel
    - To search directly into the systems, laptops, cloud, etc...

## Case study

- Guidelines
  - You **must cooperate**, but you should not be over-cooperative
    - simply answer the questions,
    - do not volunteer information that has not been pre-approved
  - But always possible to offer to the expert to **provide the information at a later stage** (e.g. we will gather the data and send it to you in one week).
  - If necessary, the expert may also **agree to come** back at a later stage (for example to meet a person who is absent)

## Case study

- Guidelines
  - You **may refuse** to provide information
    - **Only** if not relevant to the infringement
    - Confidentiality is not a ground for refusal (but we may ask the expert not to include the information in his/her report)
    - In case of dispute, pay particular attention if the order contains a penalty (it quickly adds up to extremely high amounts)

## Case study

- Guidelines
  - If the expert/bailiff is taking notes, **ask to review the notes** and if you do not agree, ask to edit the text or to **record your disagreement**
  - The bailiff/expert reports have high evidential value and will be much harder to contest at a later stage.

## Case study

- Guidelines
  - Answer **only factual questions**, never any legal question (do you think Proximus is infringing, according to you this falls under the claims etc.)
    - You should not incriminate yourself (or your company)
    - (example)

## Case study

- Guidelines
  - **Keep a copy** of every information that you give to the expert
    - This will be useful if we need to ask to the expert not to include certain information in his report
    - (optional : provide a sealed copy of all information to the bailiff for safe keeping and evidence – only in extreme cases)
  - Art. 1369bis/6. : *The court-appointed expert shall safeguard the interests of the alleged infringer – in particular with regard to the protection of confidential information – and this during the entire course of the descriptive activities as well as whilst drafting their report.*

## Case study

- Guidelines
  - **In case of disagreement with the expert** : Legal must try to negotiate a work-around satisfactory to the expert :
    - Providing redacted versions of the documents
    - Providing the information to the expert for his eyes only (not for the report)
    - Providing the information to the bailiff so that the expert does not have access to it until the incident is resolved by the Court (extreme cases)



## Case study

- Guidelines
  - Try to **avoid any searches** in your systems :
    - Some experts will want to
      - search through his/her mailbox with keywords
      - search the documents repositories (e.g. sharepoint)
    - In theory, they are entitled to but this should be resisted, by asking what the expert is looking for and providing the information.

## Case study

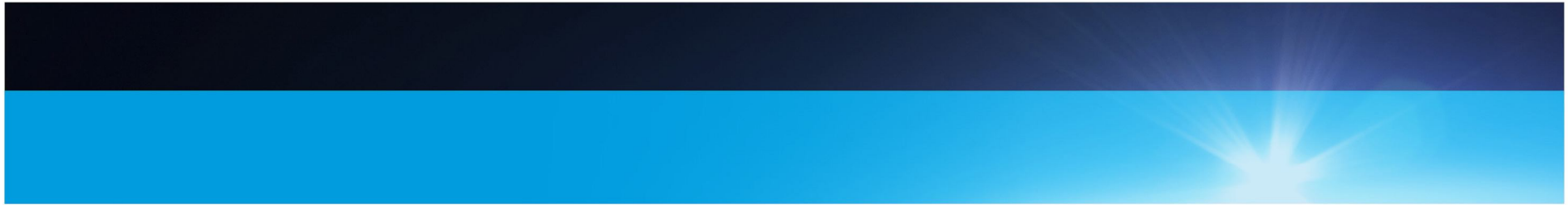
- Guidelines
  - Try to **avoid any searches** in your systems :
    - If unavoidable :
      - The expert must comply with any security requirements imposed by Proximus security policies
      - The expert may not search or read communication that is privileged:
        - Internal legal counsel
        - External counsel
        - Patent attorney

## Case study

- Guidelines
  - Try to **avoid any searches** in your systems :
    - If unavoidable :
      - In any case, never leave the expert alone with any system.
      - Take note of the searches performed (keywords used) so that it can be performed reproduced in case of dispute.

## Case study

- Guidelines
  - Judge may decide on any incidents
  - Opposition is available
  - The expert must safeguard the confidential information of the alleged infringer
  - The expert must also behave as a normally prudent and diligent person (1382 Civ. Code)
  - Ask the bailiff to note any disagreement or unprofessional behaviour



# Questions ?