



GLOBAL EXPANSION GUIDEBOOK

IPT

France



Downloaded: 02 May 2025

INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Intellectual Property and Technology*.

GLOBAL EXPANSION GUIDEBOOK SERIES

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics companies need to know. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

INTELLECTUAL PROPERTY AND TECHNOLOGY

Inside this guide, we outline crucial aspects of IPT laws in over 40 jurisdictions that are particularly relevant to businesses seeking to expand their operations globally. We also summarize some fundamental commercial terms that customarily appear in IPT-related agreements.

You will find answers to such common questions as:

- Which jurisdictions recognize moral rights?
- What does my business need to do to have an enforceable assignment of intellectual property from an employee, from a consultant?
- What kind of liability can be excluded from a commercial contract?

With this edition, we've also included a section for each country that discusses the enforceability of electronic signatures.

Our goal is to make the guide as readable and informative as possible, providing you just the background you need to get an overview of the IPT laws in the selected jurisdictions. This is not a substitute for professional legal advice. If you have questions regarding specific matters, we encourage you to contact one of our contributors listed in the contributors section of this guide. With nearly 500 dedicated IPT lawyers around the globe, DLA Piper's IPT group is ready to handle your legal needs wherever you do business.

Also, please note that the guide's use of the term "trademarks" also refers to service marks, unless specifically addressed separately. The summary of intellectual property covers only the most commonly used categories worldwide (for example, we have not addressed plant patents). We have also referred to international treaties and conventions with their most commonly used names and not their formal titles (such as the TRIPS Agreement, the Berne Convention, the Paris Convention and the Patent Cooperation Treaty).

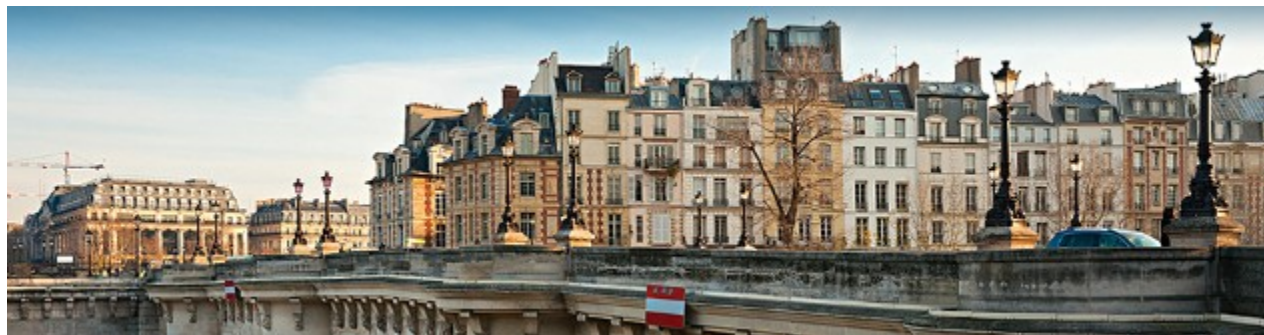
We hope that you find this guide valuable and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that intellectual property and technology law is dynamic, and the legal regime in the countries surveyed could change.

FRANCE



Last modified 13 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

France is a civil law country.

Most of the rules and requirements applicable to intellectual property rights derive either from French law or European Union law and are codified in the French Intellectual Property Code.

COMMERCIAL CONTRACT FRAMEWORK

Overview

French law does not provide a unitary set of rules only applicable to commercial contracts. The following legal provisions may be applicable to commercial contracts:

- The French Civil Code, which contains (i) most provisions on contract law, including rules regarding contracts in general (ie, contract formation, validity, term, performance, enforceability, assignment, termination, liability and remedies) and rules regarding specific contracts (eg, sales, statutory warranties, agency, lease, loan, escrow and guarantees) and (ii) provisions on tort liability.
- The French Commercial Code, which contains some specific rules applicable in business-to-business agreements (eg, payment terms, interest for late payment, general terms and conditions, distribution, commercial agency, commissionaire and commercial leases agreements).
- The French Intellectual Property Code for contract terms relating to intellectual property rights.
- The French Consumer Code, which contains important rules that professionals must comply with when dealing with consumers, but which may also have to be taken into account when contracting with another business when the end-user is a consumer or in all cases when contracting with another business (eg, the prohibition of misleading commercial practices is also applicable to business transactions).

- The Judicial Organization Code, which contains rules on the jurisdiction of intellectual property proceedings.

This list is not exhaustive, and specific provisions may be implicated by certain types of commercial contracts (eg, Transport Code, Law on Subcontracting, Data Protection Law or Law on Confidence in the Digital Economy).

COPYRIGHTS

Nature of right

Copyrights include economic rights and moral rights. French law grants copyright protection to:

"the rights of authors in all works of the mind, whatever their kind, form of expression, merit or purpose."

There are 2 main conditions for copyright protection:

- i. The work must be fixed in a material or immaterial form (ie, on paper, in a computer program or in an electronic document) – mere ideas are not protected – and
- ii. The work must be original (ie, it must be endowed with the personality of its author).

Legal framework

Part I of the French Intellectual Property Code (Articles L. 111-1 et seq. and R. 111-1 et seq.), which implements the 2001 European Copyright Directive, governs the protection of copyrights in France.

The revised Audiovisual Media Services Directive has entered into force on 18 December 2018 and was transposed into French law, via an Ordinance No. 2020-1642 voted on 21 December 2020. Video-sharing platforms will now be submitted to this regulation. The Ordinance notably amended the Law of 30 September 1986 on freedom of communication, the Code of cinema and moving image, as well as the deadlines for the exploitation of cinematographic works. It also provides for the prohibition of incitement to terrorist acts in television programs and the strengthening of the rules on the protection of minors by prohibiting service providers from processing the personal data of minors for commercial purposes.

Part of the Audiovisual Media Services Directive was also implemented by the Law of 25 October 2021 and by Decree No. 2021-1853 of 27 December 2021, which materializes the merger of the Audiovisual Superior Council (CSA) and the Supreme Authority for the Distribution and Protection of Intellectual Property on the Internet (HADOPI) in a new independent authority: the Audiovisual and Digital Communication Regulatory Authority (ARCOM). The prerogatives of the new institution have been extended with regard to the fight against piracy. The law also creates a regime to protect the French public's access to cinematographic and audiovisual works in the event of the transfer of catalogues of works to a foreign operator.

With regard to media law, Article L. 137-I of the Intellectual Property Code now defines the online content sharing service provider as the person who provides an online public communication service, one which has a main objective of storing and giving the public access to a significant quantity of works or other protected objects uploaded by its users, and who organizes and promotes the content with a view to making a direct or indirect profit from it. Decree No. 2021-1369 of 20 October 2021 specifies the methods for assessing the "significant quantity" of protected works uploaded. This text provides that this quantity may be deemed to have been reached when the service's audience and the number of content files uploaded by users of this service exceed a threshold of 400,000 unique visitors in France per month per online public communication service calculated on the basis of the last civil year.

The European Directive on Copyright and Related Rights in the Digital Single Market of 17 April 2019 has been transposed into French Law and has therefore created a related right for press agencies and press editors. Since 25 October 2019, all platforms, social networks and other sites aggregating information must obtain authorization from the publisher or the press agency, for any reproduction or communication to the public, in whole or in part, in digital form, of press publications. In return, publishers and press agencies may request remuneration.

In addition, Decree No. 2022-928 of 23 June 2022, which completes the transposition of the European Directive on Copyright and Related Rights in the Digital Single Market of 17 April 2019, has enshrined the exception to copyright for text and data mining for scientific and other purposes into French law.

On September 12, 2023, a new law proposal aims to provide a copyright framework for artificial intelligence. If adopted in its current wording, it would supplement the French Intellectual Property Code to enable artists to take better account of their rights in the face of the development of generative AI.

The main provisions of the contemplated law include the obligation to obtain an authorization for the use of protected works, the collective management of rights to works generated by AI, the obligation to mention the original authors and the taxation regime of works of indeterminate origin.

Duration of right

The economic rights of the author last for 70 years after their death. The 70 years are calculated from January 1 of the civil year following the death of the author. The date of death of the last contributor serves as the reference point for the 70-year *post mortem auctoris* period for collaborative works. Moral rights are personal, perpetual, inalienable and not subject to statutes of limitations.

Ownership / licenses

There are no formal requirements for copyright protection.

Copyright cannot be registered in France, but a work can be filed (in an *enveloppe Soleau* or *E-Soleau*) at the French Intellectual Property Office (INPI) or with a trusted 3rd party to secure the date of the creation (and, to a lesser extent, proof of existence and authorship).

Under French law, copyright is, by principle, vested in the author upon creation of the work.

Only economic rights are assignable. Moral rights are inalienable and belong to the author perpetually.

Assignment of copyright by the author must comply with the stringent requirements of Article L. 131-3 of the French Intellectual Property Code, which provides that the assignment agreement must expressly mention all and any rights assigned (eg, right of reproduction, right of representation and communication, adaptation or translation) together with their associated scope and span.

Remedies for infringement

The author is entitled to enforce copyright.

Copyright infringement actions may be brought before specialized courts, usually after having gathered evidence via an infringement seizure (*saisie-contrefaçon*), by way of an action on the merits and a summary action, in order to obtain an interlocutory injunction.

An injunction against the further manufacture, import, offer, sale, use or storage of the work can be ordered with immediate enforceability and impose penalties.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

- i. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder
- ii. The moral harm suffered by the rights holder and
- iii. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

However, as an alternative and by request of the author, the court may set the damages as a lump sum. The lump sum must be greater than the royalties or rights that would have been owed if the infringer had asked for the authorization to exercise the right that has been violated. This amount is not exclusive of compensation for moral harm caused to the author.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Legal costs and attorneys' fees may be recovered at the discretion of the judge.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

MASK WORKS / TOPOGRAPHIES

Nature of right

Mask works are protectable as an industrial property title relating to a final or intermediary semiconductor product topography and grants to its owner an exclusive right of exploitation or reproduction.

There are 2 main conditions for the protection of a semiconductor product's final or intermediary topography: it must result from its creator's own intellectual effort and it must not be commonplace in the semiconductor industry.

The exclusive rights shall not come into existence or shall no longer apply to the topography of a semiconductor product if an application for registration in due form has not been filed with the INPI within 2 years of the first commercial exploitation or more than 15 years after it has been fixed or coded for the first time – in case it has never been exploited.

The exclusive rights on the semiconductor product topography shall include the rights to authorize or prohibit the reproduction, commercial exploitation or importation of a topography or of a semiconductor product manufactured by using the topography.

These exclusive rights shall not apply to reproduction for the purpose of analyzing, evaluating or teaching and shall not extend to the creation of a semiconductor product topography on the basis of an analysis and evaluation of another topography.

Legal framework

Semiconductor topographies are protected pursuant to Part VI of the French Intellectual Property Code (Articles L. 622-1 et seq. and R. 622-1 et seq.), which implements the European Directive 87/54/EEC of December 16, 1986 on the legal protection of topographies of semiconductor products.

Duration of right

Protection is granted as from the earlier of the following dates: the filing of the application or the first act of commercial exploitation. Protection is granted until the end of the 10th calendar year following this event.

Where a topography has not been commercially exploited within a period of 15 years from its first fixation or encoding, any exclusive right in existence shall come to an end.

Ownership / licenses

Ownership lies with the persons who are the creators of the topographies of semiconductor products and the successors in title of these persons.

Mandatory licenses may apply in certain situations. The licensee bears the obligation to exploit.

Remedies for infringement

A person who acquires a semiconductor product in good faith is not considered to be infringing the rights in the semiconductor product topography. However, if such person wants to continue to exploit commercially such semiconductor product, they must pay a fair indemnity.

An injunction to stop infringing acts can be ordered with immediate enforceability and impose penalties.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

- i. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder
- ii. The moral harm suffered by the rights holder and
- iii. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and upon request of the rights holder, French courts may set the damages as a lump sum. This sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the rights holder.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Legal costs and attorneys' fees may be recovered at the discretion of the judge.

Note that, in case of topographies infringement, it is not possible to bring an action before the criminal courts.

PATENTS

Nature of right

Patents are an industrial property title relating to an invention and granting to its owner an exclusive right of exploitation or use.

The patent owner may, at any time, waive the patent or file a request for limitation of said patent.

Legal framework

Patents are governed by Part VI of the French Intellectual Property Code (Articles L. 611-I et seq. and R. 611-I et seq.), the European Patent Convention (also referred to as the Munich Convention) and EU regulations Nos. 1257/2012 and 1260/2012 of December 17, 2012 regarding the unitary patent (not yet effective; they will only apply from the date of entry into force of the UPC Agreement).

The "first to file" system is defeated in case of fraud and mitigated in case of prior personal possession.

The law No. 2019-486 of May 22, 2019, known as the PACTE law, is an important reform of French patent law. It strengthens the examination procedure, modifies the limitation periods, extends the duration of utility certificates and allows their transformation into patent applications. It also introduces the possibility for 3rd parties to oppose French patents whose grants have been published as of April 1, 2020, before the National Institute of Industrial Property (INPI).

Regulations (EU) No. 1257/2012 and No. 1260/2012 of 17 December 2012, which implement enhanced cooperation in the creation of unitary patent protection, set up the European Unitary Patent System. These regulations entered into force on January 20, 2013 [v11] [LC2] and are applicable from June 1, 2023 which is the date of entry into force of the Agreement on a Unified Patent Jurisdiction establishing the Unified Patent Court (UPC).

To date, 17 Member States have ratified the UPC Agreement (including the 3 Member States with the highest number of European patents in force in 2012: Germany, France and Italy). It is expected that further Member States will ratify the UPC Agreement in the coming year.

The unitary patent system makes it possible to receive patent protection in up to 24 EU Member States by submitting a single application with the European Patent Office, thus simplifying the procedure and making it more affordable for applicants.

The Unified Patent Court (UPC) is an international court established by the participating EU Member States to deal with infringement and validity cases of unitary patents as well as European patents, thus eliminating costly parallel proceedings and increasing legal certainty. The unified patent jurisdiction consists of a first-level court in Paris (with a section in Munich) and a court of appeal in Luxembourg, as well as local divisions in several countries. For instance, Paris, hosts a local division.

Then, from June 1, 2023, and for a transitional period of at least 7 years, national courts will continue to have concurrent jurisdiction for "classic" European patents and supplementary protection certificates.

The UPC have exclusive jurisdiction to rule on the validity and infringement of patents with unitary effect.

Duration of right

Patent protection is granted for 20 years from the filing of the patent application.

Duration of protection may be extended, for medicinal products, via supplementary protection certificates and pediatric extensions.

Patents can be invalidated by Paris courts in case of lack of novelty, lack of inventive step, insufficiency of description or added matter.

An opposition procedure for patents before the National Institute of Industrial Property (INPI) was also created in 2019 as part of the "Loi PACTE" and can result in the patent being invalidated should it infringe a 3rd party's right.

Ownership / licenses

The "first to file" system is defeated in case of fraud and mitigated in case of prior personal possession.

Co-ownership is possible. In the absence of a co-ownership agreement, the relevant provisions of the French Intellectual Property Code automatically apply.

Assignments and licenses must be recorded at the INPI for opposability purposes.

There is a right of pre-emption by the French government, and mandatory licenses may apply in certain situations.

The licensee bears the obligation to exploit/work the patent in full.

Remedies for infringement

French law prohibits both direct infringement and contributory infringement.

Patent infringement actions may be brought before Paris courts (which have exclusive jurisdiction), usually after having gathered evidence via an infringement seizure (*saisie-contrefaçon*), by way of an action on the merits and a summary action in order to obtain an interlocutory injunction.

Manufacturers and importers are regarded as automatic infringers (*ie*, need not be aware of the patent at stake to qualify as infringers).

Since 2019, such infringement action must be brought within 5 years of the acts concerned, provided such action is not subject to any other statutes of limitations.

An injunction against the further manufacture, import, offer, sale, use or storage of the work may be ordered with immediate enforceability and subject to penalties.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

1. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder
2. The moral harm suffered by the rights holder and
3. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and upon request of the rights holder, French courts may set the damages as a lump sum. This sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the rights holder.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

TRADEMARKS

Nature of right

A trademark is any sign capable of representation that serves to distinguish the goods or services of a natural or legal person. Since 2019, signs no longer need to be capable of graphical representation to be registered as trademarks. It is sufficient for the sign to be capable of being represented in such a way as to enable any person to determine precisely and clearly the subject matter of the protection conferred on its owner, such representation being clear, precise, distinct, easily accessible, intelligible, durable and objective. Therefore, for example, a word, sound, picture, movement or hologram may notably be protected as a trademark. Trademarks serve as an indication for the consumers of the commercial origin of the marked products or services.

Legal framework

Trademarks are governed by Part VII of the French Intellectual Property Code including notably:

1. Law No. 64-1360 on Trademarks and Services Marks, dated December 31, 1964; Law No. 91-7 on Trademarks and Services Marks, dated January 4, 1991; and Law No. 2014-315 Reinforcing the Fight Against Counterfeiting, dated March 11, 2014 .
2. EU Regulation 2017/1001 and Directive 2015/2436 on the European Union Trademark, dated December 16, 2015.
3. The reform of trademark law resulting from the transposition of the "trademark package" was implemented by Order No. 2019-1169 of November 13, 2019 and its implementing decree. These texts largely modify the provisions of Part VII of the Intellectual Property Code to create a new trademark law.

France became a member of the Madrid Agreement in 1892.

France became a member of the Madrid Protocol in 1997.

France became party to the Trademark Law Treaty in 1995.

Following approval by the Council of the European Union and the European Parliament, the Regulation on the protection of geographical indications for artisanal and industrial products (GIPAI) was published in the Official Journal of the European Union on October 27, 2023.

It creates a single system of protection for industrial and artisanal products throughout the European Union, following the example of agri-food geographical indications.

This regulation will come into force in December 2025, and will complement the French system in place since 2014 and operated by the INPI. The INPI will continue to examine applications at national level, before forwarding them to the European Union Intellectual Property Office (EUIPO) for registrations at European level. The INPI will also be able to transform geographical indications already registered locally, directly at European level, without having to carry out a new registration procedure.

Duration of right

Protection is through registration only. Registration remains in effect for 10 years and is renewable indefinitely so long as the mark is used and remains distinctive.

Ownership / licenses

A trademark owner is free to transfer or license any and all of its rights under the trademark to a 3rd party.

Joint ownership is possible.

A trademark may be used as a security (eg, mortgage).

Remedies for infringement

Remedies are available regardless of whether the infringement is willful. No punitive damages will be awarded, even if the infringement is willful.

French law prohibits both direct infringement and contributory infringement.

Trademark infringement actions may be brought before specialized courts (Paris courts having exclusive jurisdiction for EUTMs), usually after having gathered evidence via an infringement seizure (*saisie-contrefaçon*), by way of an action on the merits and a summary action, in order to obtain an interlocutory injunction.

An injunction against the further manufacture, import, offer, sale, use or storage of the work may be ordered with immediate enforceability and subject to penalties.

Since 2020, the National Institute of Industrial Property (INPI) has exclusive jurisdiction for trademarks cancellation and revocation actions, when such actions are brought as a principal claim and are based on an absolute ground for nullity, or a relative ground for nullity related to the existence of certain prior rights, or a ground for revocation of any kind. French courts remain competent for other types of actions.

Since 2019, such actions generally need to be brought within 5 years of the acts concerned, provided such action is not subject to any other statutes of limitations (except for well-known trademarks).

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

1. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder.
2. The moral harm suffered by the rights holder.
3. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and on request by the trademark owner, the court may set the damages as a lump sum. The lump sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the trademark owner.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Legal costs and attorneys' fees may be recovered at the discretion of the judge.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

Trademarks can be filed with French Customs to prevent importation of infringing goods, provided those goods originate from outside the European free market.

TRADE SECRETS

Nature of right

As defined by EU Directive 2016/943 on Trade Secrets of June 8, 2016, a protectable trade secret is information that:

- i. Is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question.
- ii. Has commercial value because it is secret.
- iii. Has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

Legal framework

Trade Secrets are governed by the following legal framework:

- EU Directive 2016/943 on Trade Secrets dated June 8, 2016
- Part V of the French Commercial Code: Article L. 151-I et seq.
- Law No. 2018-670 dated July 30, 2018 implementing the EU Directive 2016/943 and
- Decree No. 2018-1126 on Trade Secrets dated December 11, 2018.

It is completed by Article 39 of the TRIPS Agreement.

Article L. 621-I of the French Intellectual Property Code is specifically related to the disclosure of secret manufacturing processes by directors and/or employees.

Duration of right

As long as secrecy is preserved.

Ownership / licenses

Ownership and licenses require appropriate identification of the trade secrets at stake.

Articles L. 151-7 et seq. of the French Code of Commerce provide exceptions to the trade secret protection (eg, legal obligation to communicate and legal proceedings).

Remedies for infringement

Following transposition of the directive, several remedies for trade secret infringement are available under French law, namely the incurring of the civil liability of the trade secret infringer. The French Commercial Code now contains a series of corrective measures (eg, injunction banning or ordering to cease the use and/or disclosure of trade secrets), provisional and protective measures, publication measures and compensation. Those measures may be sought by way of an action on merits or by way of a summary action, namely in case of imminent infringement.

Remedies may include banning the manufacturing, marketing and/or use of the goods which significantly result from a trade secret infringement or the import, export or storage of such products, as well as the partial or total destruction of any document, object or file containing the infringed trade secret.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

- The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the trade secret holder, inclusive of loss of opportunity.
- The moral harm suffered by the trade secret holder.
- The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and upon request of the trade secret holder, French courts may set the damages as a lump sum. This amount is not exclusive of compensation for moral harm caused to the rights holder.

In case of dilatory or abusive actions, French courts may order the trade secret holder to pay a civil fine and/or be liable for damages for dilatory or abusive actions.

OTHER KEY IP RIGHTS

Nature of right

Registered designs

An industrial design is the ornamental or aesthetic aspect of an article. The design may consist of 3-dimensional features, such as the shape or surface of an article, or 2-dimensional features, such as patterns, lines or colors.

To be protected, an industrial design must be non-functional.

The design must not consist of features solely determined by the object's technical function. This means that an industrial design is primarily of an aesthetic nature and any technical features of the article to which it is applied are not protected.

In order to be able to register a design, the design must:

1. Be new if no identical design is known to have existed before. Designs must be considered identical if their features differ only in immaterial details
2. Have an "individual character" (*caractère propre*) if the overall visual impression it produces on the informed observer differs from that produced by any design or model disclosed before the date of the filing of the application for registration or before the date of priority claimed.

Databases

A database is defined as a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.

Databases may be protected through copyright and/or a *sui generis* right.

Additionally, copyright protection may be awarded to the structure of a database if fulfilling the criteria for such copyright protection (fixation in a material form and originality).

Sui generis rights apply to the benefit of the database producer if there were qualitatively and/or quantitatively substantial investments, whether related to the collection, verification or presentation of the content of the database.

The *sui generis* protection lies on an economic vision and does not include moral rights.

Legal framework

Registered designs

Registered designs are governed by Part V of the French Intellectual Property Code.

On November 28, 2022, the Commission published a package of measures comprising 2 proposals: a Regulation amending Council Regulation (EC) No 6/2002 on Community designs, and a Directive on the legal protection of designs (recasting Directive 98/71/EC). The Council formalized its position on September 25, 2023. The Council and the European Parliament have reached a provisional agreement on the revision of the 2 legislative proposals in the design package: the Directive on the legal protection of designs and the Regulation on Community designs.

The provisional agreement reached must now be approved and formally adopted by both institutions.

The new texts will update 20-year-old design legislation, with the aim of facilitating the protection of industrial designs and adapting EU legislation in this field to the challenges of the digital age, notably including 3D printing.

Databases

Databases are governed by:

- Articles L. 111-I et seq. and R. 111-I et seq. for copyright protection and
- Part V of the French Intellectual Property Code (Articles L. 341-I et. seq. and R. 341-I et. seq.) for the *sui generis* protection, which implements the EU Directive 96/9/EC of March 11, 1996 in France.

Duration of right

Registered designs

A registered French design can be protected for a maximum of 25 years. The initial term of protection is 5 years, which may be renewed by 4 consecutive 5-year periods.

Databases

For the duration of copyright, when applicable, see the "Copyrights" section.

The *sui generis* protection is granted for 15 years, starting from the date of completion of the database. It expires 15 years following the 1st of January of the year following the date of completion of the database.

If the database is made available to the public within this 15-year time period, protection runs until 15 years following January 1 of the year following the date of publication.

If the database is subject to new substantive investment, the 15-year period of protection starts following January 1 of the year following the date of this new investment.

Ownership / licenses

Registered designs

The protection of the design is acquired by the registration of the owner.

The author of the application for registration is, unless proven otherwise, regarded as the beneficiary of this protection.

A design owner is free to transfer or license any and all of its rights under the design to a 3rd party.

Databases

There are no formal requirements for *sui generis* protection.

Under the *sui generis* protection, a database producer (*ie*, a natural person or a legal entity initiating and supporting the investment) is free to transfer or license any and all of its rights under the database to a 3rd party.

Remedies for infringement

Registered designs

A design infringement lawsuit may be brought by the recorded owner of the registered design whose rights have been infringed, or by the exclusive licensee duly recorded with the INPI, before either the criminal or civil courts.

Since 2019, such infringement action must be brought within 5 years of the acts concerned, provided such action is not subject to any other statutes of limitations.

The unauthorized use of a registered design constitutes infringement.

In assessing infringement, the French courts take into account the overall visual impression that the design created for the informed observer, setting aside insignificant differences.

French courts take the following into consideration when determining the amount of compensatory damages to award:

- The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder.

- The moral harm suffered by the rights holder.
- The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As for patents and trademarks, as an alternative and on request of the registered design owner, the court may set the damages as a lump sum. The lump sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the registered design owner.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

Databases

For copyright-grounded remedies, see the "Copyrights" section.

Under the *sui generis* protection, the database producer may prevent extraction and/or re-utilization of the whole or of a substantial part of the database, evaluated qualitatively and/or quantitatively, of the content of that database. The database producer may also prevent repeated and systematic extraction or re-utilization of non-substantial parts of the database, when such operations exceed the normal conditions of use of the database.

Before the criminal court, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

There is no work for hire under French law, except for:

1. Copyright on software and related documentation and
2. Patents, to a certain extent and provided that certain conditions be met.

For a work made by an employee within the course of their employment, the rights in the work belong to the employee (although some case law has admitted implicit transfer to employer). Rights are vested in the employer only if the work is collective or, in certain circumstances, if the work is a software or related documentation.

Consultants / contractors

There is no "work for hire" applicable to consultants and contractors under French law and, generally, intellectual property rights must be specifically assigned or licensed to the engaging entity or remain vested in the consultant or contractor.

Ordinance No. 2021-1658 of 15 December 2021 introduced a devolution of rights arising from software or inventions made by a person who is neither an employee nor a public agent, to the private or public legal entity carrying out the research that hosts them. The Ordinance therefore creates an automatic devolution of economic rights to the host legal entity carrying out the research.

2 decrees dated August 11, 2023 have now -finally- specified this financial compensation:

For inventors who are not salaried nor public agents to the private or public legal entity carrying out the research that hosts them, the provisions relating to the financial contribution for patentable inventions are set out in Decree no. 2023-770 of August 11, 2023 relating to the procedures for the devolution of industrial property rights on assets obtained by inventors who are not salaried employees or public servants hosted by a legal entity carrying out research. It defines the calculation of the incentive bonus paid to such inventors.

For software authors who are not salaried, nor public agents to the public legal entity carrying out the research that hosts them, the Decree no. 2023-772 of August 11, 2023 organizes the devolution of their economic rights. It defines the rules governing profit-sharing for these authors when they have participated, alone or as co-authors, in the creation of software whose economic intellectual property rights have thus been vested in the public-sector legal entity whose permanent research staff are public-sector employees, and when these rights are exploited by this legal entity.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts under French law.

Recognized language of commercial agreements

There is no requirement under French law that business-to-business contracts must be in French.

However, if documentation is provided to French consumers, the contract should at a minimum specify which party is responsible for producing French labeling or users' guides. Pursuant to the French Language Law of August 4, 1994 (*Loi Toubon*), any documentation or communication made to French consumers must be in French; any French translation must be as legible as the original version.

In addition, under the French Language Law, a French or translated version of the agreement is required when concluding a contract with a public entity in France.

Country-specific issues for online content

Specific rules apply when consumers are concerned, such as the requirement to put in place a double-click system when a consumer makes a purchase online or the obligation to provide consumers with certain mandatory information via a durable medium (ie, in a PDF document or in the content of an email). In any event, the French Consumer Act (*Loi Hamon*) of March 17, 2014 has implemented European Directive 2011/83/EU dated October 25, 2011 on consumer rights. Thus, the rules applicable to agreements with consumers concluded online are, to a certain extent, similar in all European Union countries, save any local specificity.

Law no. 2023-451 of June 9, 2023, on the regulation of commercial influence and on the fight against the abuses of influencers on social networks has been promulgated. Prior to this text, there was no legal framework applicable specifically to influencers. Promotions aimed at the French public have to contain specific provisions depending on their content (sponsored, modified, virtual). To better inform their subscribers, influencers have to clearly indicate the mention "advertising" or "commercial collaboration" on their promotional content.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable if conspicuous, and users have an opportunity to review and indicate affirmative assent (eg, check a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract are generally accepted. However, a consumer in France will be entitled to the protection of French law if French law is more favorable to the consumer than the stipulated governing law. In all cases, French law that is considered by French courts to rise to the level of public policy will be applied by a French court. In respect of international contracts (eg, where a party is not French), there is little case law holding which types of French law are public policy in international matters.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Certain statutory warranties such as the warranty of conformity (*conformité*), warranty against latent defects (*vices cachés*) or quiet title warranty cannot be excluded except under specific circumstances.

Consumers are entitled to specific additional warranties, and warranty disclaimers are generally unenforceable toward consumers.

Moreover, recent provisions transposing the European Directives (EU) 2019/770 and (EU) 2019/771 into French law have extended the legal guarantee of conformity for digital goods, content and services. They have also clarified the new obligations of certain undertakings under the legal guarantee of conformity, such as the obligation to provide customers with specific information. For example, providers of digital goods and services shall now disclose, if relevant, the functionality of the digital content as well as any interoperability options.

Enforceability of exclusions/limitations of liability indemnification

Exclusions or limitations of liability between businesses for breach of contract are both enforceable and common. Liability for gross negligence or willful misconduct cannot, however, be excluded. It is not uncommon to contractually cap one's liability, for example, to the total aggregate amount paid during a certain period in application of a given contract.

French law only makes a distinction between direct and indirect losses. Direct losses are those that are direct, foreseeable and caused by the act or breach concerned. Indirect losses are those that are not foreseeable but are

linked to the act that has generated the loss (such as loss of data, revenue and goodwill). On occasion, courts consider that lost revenues were foreseeable and therefore constitute direct losses.

Tort liability cannot be limited or excluded under French law.

Exclusions or limitations of liability towards consumers are generally unenforceable under French law.

Indemnification

Indemnification clauses are commonly used in French contracts, in particular where intellectual property rights are involved.

Generally, these clauses have 3 distinct obligations: defend, indemnify (ie, pay damages) and hold harmless (ie, indemnifying party responsible for any other liability arising out of the claim). Indemnification is not limited to 3rd-party claims.

Caps on liability under indemnification provisions may be enforceable, provided that the limitation liability clause does not empty the essential obligation from its substance. Indemnification clauses are generally unenforceable against consumers, provided that such clause is not considered as unfair pursuant to consumer law provisions and does not create significant imbalance between the rights and obligations of the parties for standard, non-negotiated contracts.

Electronic signatures

Under French law, an electronic signature has the same status as a handwritten signature provided that the technology utilized contains reliable means of identification and guarantees the link between the electronic signature and the act to which it is attached.

The reliability of this means shall be presumed when an electronic signature is created, when the identity of the signatory is assured and when the integrity of the act is guaranteed, under the conditions laid down by decree. This is a rebuttable presumption. The French decree 2001-272 dated March 30, 2001 defines 3 conditions of reliability:

- A secure electronic signature
- Created by a secure signature creation device and
- The signature verification is based on the use of a qualified electronic certificate.

The choice of an electronic signature solution shall therefore take into consideration both technical and legal aspects of the relevant jurisdictions.

The European Parliament and the Council adopted Regulation (EU) No. 910/2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation) on July 23, 2014. The eIDAS Regulation – which creates a directly applicable and comprehensive legal framework for both electronic

identification and authentication services – is in force since July 1, 2016. It abrogates and replaces the former Electronic Signatures Directive, dated 1993, which had been the basis for the construction of the French law on electronic signatures, via a complex set of legal texts.

In terms of inputs, the regulation notably introduces a distinction between 3 types of signatures: "basic/standard," "advanced" and "qualified" signature. Clarification is, however, still expected as to the interrelation of these new types of signature with the pre-existing French definition of "e-signature."

On November 8, 2023, the European Commission endorsed the provisional political agreement of the European Parliament and the Council of the EU including the key elements of the proposal for a legal framework for a European Digital Identity, also called eIDAS 2.0. This new version of the Regulation 910/2014 of July 23, 2014 aims to strengthen security and user confidence in digital interactions within the EU, and to create a digital environment that is both reliable and fluid.

Indeed, with the eIDAS 2.0 Regulation, it will now be possible to have a unique and recognized means of identification within the European Union. This will apply not only to identity documents, but also to all attributes (such as nationality, age or marital status) used to authenticate a person remotely.

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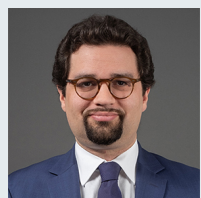
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