

Latham & Watkins Litigation Department

September 30, 2014 | Number 1748

Class Actions Enter into Force in France as of 1st October 2014

The French Government decree allows accredited consumer associations to launch class actions.

On 24 September 2014, the French Government enacted a decree implementing the class action mechanism created by the "Loi Hamon" n° 2014-344 (enacted on the 17th of March 2014) (please see our previous Client Alert *Introduction of Class Actions in France: A Growing Threat to Professionals?*). This implementing decree organizes certain aspects of the French class action and sets the date of entry into force as **1 October 2014**.

Pursuant to this decree, certain accredited consumer associations will be able to bring class action claims before the court, on behalf of consumers, for French consumer and competition law infringements.

The decree outlines several significant aspects of the procedural rules which will govern class action claims:

- Unless stated otherwise, class action claims will be governed by the rules applicable to civil proceedings in France.
 - The claim will be issued and tried according to the ordinary rules applicable before the competent court (*i.e.* the "*Tribunal de Grande Instance*").
 - The appeal, if any, will be tried according to the rules applicable to "short notice" judgments, usually required for urgent matters (article 905 of the French Code of Civil Procedure).
- The Tribunal de Grande Instance with jurisdiction over the class action claim is the court of the place where the defendant lives or is established.
- For defendants not located in France, the Tribunal de Grande Instance of Paris will have jurisdiction.
 The decree also details how consumers will be able to "opt-in" to the class action, the extent of the
 mandate granted to the association by the consumer when opting-in, how this mandate can be
 transferred to another association and how it can be revoked by the consumer.

The decree organizes how consumers will be able to recover compensation if the class action is successful and details certain procedural rules should any difficulty arises during recovery.

Finally, the decree also specifies mandatory information that the measures publicizing the court's decision must contain to enable consumers to opt-in, for both "ordinary" and "simplified" class action claims.

Conclusion

With the decree, the introduction of class actions is now official. As of 1st October, the race may begin between associations eager to launch the first class action in France. French companies and international companies doing business in France may now face significant legal uncertainty from this new type of litigation as the associations test their new abilities. Questions remain regarding the issues which will first be targeted.

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