

National Patent Litigation—Italy

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I. Available Reliefs

Patent enforcement in Italy benefits from a wide choice of available relief, both within preliminary proceedings and on the merits.

Preliminary relief includes:

- Judicial description
- Preliminary injunction
- Withdrawal from the market
- Penalty for non-compliance
- Seizure
- Precautionary seizure, including blocking of bank accounts
- Right of information
- Publication of the decision

Relief available on the merits includes:

- Permanent injunction
- Definitive removal from the market
- Penalty for non-compliance
- Destruction
- Right of information
- Damages and reversion of profits
- Publication of the decision

As a general principle, preliminary relief loses its effect if an action on the merits is not filed within a mandatory term. There is, however, a notable exception for preliminary relief that anticipates the effects of the decision on the merits, as is typically the case for injunctions. In these cases, preliminary relief is permanent without an action on the merits, which can still be initiated by either party at any time. This exception is accepted by the overwhelming case law also with respect to patent litigation, with isolated dissenting precedents.

II. Fact Finding and Preservation of Evidence

1. Prior to Litigation

The main available tool for fact finding and preservation of evidence prior to litigation is a judicial description order, in particular when granted *ex parte*.

As for any kind of preliminary relief, the requirements for a description order are (i) *prima facie* evidence of validity and infringement of the patent (*fumus boni iuris*) and (ii) the existence of serious and irreparable damage caused by the infringer to the applicant (*periculum in mora*). As a matter of fact, the application of these requirements is to some extent

less stringent for description orders in view of their peculiar nature of evidence-related tools.

In cases of particular urgency, in particular when a delay may cause irreparable damage to the applicant or formally serving the summons on the infringer may prejudice the enforcement of the order, the description order may be granted *ex parte*. In this case, the order is served on the infringer by the court bailiff upon enforcement and contains a summons for a subsequent hearing, at which the measure and the outcome of the enforcement are discussed in front of the judge. The judge will then issue a decision on confirmation, revocation or modification of the description order, as well as on the possible further measures (*e.g.* seizure or injunction) requested by the applicant.

The purpose of the description is to secure evidence for the infringement action on the merits. The object of the description may be the infringing product or process, the production means and the available evidence, including financial and sales data.

The results of the description operations are contained in a report that is produced by the court bailiff and the court appointed expert, and filed with the court. This report may be used either in support of further preliminary relief if requested by the applicant (*e.g.* seizure or injunction) or in support of the infringement action on the merits.

In these circumstances, the action on the merits must be commenced within the mandatory terms provided for by the court, or in default within 20 working days or 31 calendar days, whichever is longer, from communication of the order deciding on the description or on the further relief requested by the applicant, if any. If the action on the merits is not filed within these deadlines, or extinguishes after filing, the order loses its effect and the evidence obtained by the enforcement of the order cannot be used any longer.

2. During Litigation

The main fact-finding measures during litigation include the following:

- Judicial description: see above;
- Right of information: the judge, upon a justified and proportionate request, may question the person(s) indicated by the requesting party on the origin and distribution networks of the infringing products through formal interrogation;
- Exhibition order and request for information: upon a party's request based on sufficient circumstantial

evidence and on clear indication by the requesting party of documents and information available, the judge may order the other party to exhibit documents or information, including the identification by the other party of third parties implicated in the production or distribution of the infringing products;

- Investigations by a court appointed expert: court appointed experts—who are typically appointed to assist the court in assessing the validity and infringement of the patents at issue or in assessing damages—may be directed by the court to seek clarification from the parties or obtain information from third parties.

III. Strategic Options

1. Warning/Notice Letters

There is no general duty to send a warning letter prior to litigation. This could even prove prejudicial in cases where a surprise effect is crucial to the effectiveness of the order, as in certain requests for preliminary relief (*e.g.* description order) where the enforcement of the order might be frustrated if the alleged infringer is put on notice.

Specific rules may apply, however, in given circumstances, as is the case of enforcement of Standard Essential Patents requiring, based on case law, a notice of infringement and the offer of Fair, Reasonable and Non-Discriminatory license terms.

More generally, in cases where it is not necessary to comply with strict timelines, sending a warning letter may prove an appropriate strategic choice with a view to avoiding litigation or to show proper pre-trial behavior, which could play a role in the assignment of litigation costs by the court.

However, sending a warning letter may give rise to liability for damages under unfair competition law if made in bad faith, with gross negligence or if used to discredit a competitor in the eyes of third parties.

2. Preliminary Relief

Preliminary relief requires the applicant to provide *prima facie* evidence of both (i) validity and infringement of the patent (*fumus boni iuris*) and (ii) serious and irreparable damage caused by the infringer, which justifies the urgency to obtain immediate relief (*periculum in mora*).

In normal circumstances, the court issues an order summoning the parties to a hearing and providing deadlines for the applicant to serve the order and the application on the defendant, and for the defendant to file its defense. If no deadline is provided in the order, the defendant may file its defense at the hearing.

In most cases, the court appoints an expert—typically a patent attorney with competence in the technical field at issue—for assessing validity and infringement

of the patent. A technical phase of the proceedings then takes place, with an exchange of technical briefs by the experts (patent attorneys) appointed by the parties and the court expert on validity and infringement. The court expert submits to the parties' experts a preliminary draft opinion, gathers their written observations thereon, and includes and comments on these observations in the final opinion filed with the court.

The decision on preliminary relief is taken by the single judge entrusted with the case, after discussing the court expert's opinion with parties' counsel.

In cases of particular urgency—as is typically the case of relief sought in view of an imminent trade fair—the court may issue its decision *ex parte* without the prior involvement of a court expert. In this case, the order provides for a hearing to take place shortly thereafter allowing the defendant to file its defense and arguments on the revocation, modification or confirmation of the relief granted *ex parte*.

3. Main Proceedings

Main proceedings are initiated by serving a complaint on the defendant containing all facts and grounds in support of plaintiff's claims and summoning the defendant to appear at a hearing. counter-claims must be filed by the defendant at least 20 days prior to the hearing.

Strict and short deadlines running from the first hearing govern the filing of the parties' further briefs, aimed at fine-tuning their claims, filing evidence and providing rebuttal evidence. A hearing then takes place for the discussion of evidence and, in most cases, the court appoints a court expert for assessing the validity and infringement of the patent.

The court expert's opinion is discussed with parties' counsel at a further hearing, where the court may issue additional orders relating to the admissibility of the evidence. These may also include the appointment of another expert to assist the court in assessing damages.

The decision on the merits is then taken by a panel of three judges, after an exchange of final briefs and replies by the parties. A hearing for the oral discussion of the case prior to decision takes place only if requested by one of the parties.

4. Claim Amendments During Pending Proceedings

Amendments to the patent claims are allowed at any time and at any stage of pending proceedings, so far as the claims are redrafted within the limits of the orig-

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inal patent application and with no extension of the scope of protection of the granted patent.

In other words, claim amendments must result in a limitation of the original scope of protection of the patent, with no new added matter. Within these limits, claim amendments may result not only from the combination of the original claims, but also from the introduction in the original claims of subject matter taken from the description or the drawings.

The amendments are typically the object of evaluation by the court appointed expert in the technical phase of the proceedings involving the parties' experts and must be the object of a formal request for limitation submitted to the court by the patent holder.

Subsequent amendments are possible but subject to the general limit of abuse of right and possible liability for costs.

5. Protective Letters

Protective letters are not available measures under Italian law.

Strategic options used to avoid or minimize the risk of *ex parte* preliminary relief or the risk of forum shopping by the patent owner include declaratory actions for non-infringement and/or nullity actions.

6. Declaratory Actions for Non-Infringement

Declaratory actions for non-infringement are also possible within preliminary relief. Standing to sue, however, requires the existence of a situation of objective uncertainty depending on external factors, as is typically the case of a cease and desist letter sent by the patent owner, justifying the need for the relief requested.

The jurisdiction of Italian courts in respect of declaratory actions for non-infringement of foreign patents has been a debated issue in case law in recent years. The prevailing case law, at least among the lower courts and not without some inconsistencies, is currently in favor of recognizing the jurisdiction of Italian courts only in respect of declaratory actions for non-infringement of Italian patents or Italian portions of European patents. This is based on the reasoning that no harmful event may occur in Italy in respect of the claimed infringement of a foreign patent or of a foreign portion of a European patent having no effects in the Italian territory.

7. Enforcement Prior to Grant

Enforcement prior to grant requires that the patent application, including description, claims and drawings, is either served on the defendant or accessible to the public. A patent application is accessible to the public 18 months after filing or from the priority date, or 90 days after filing, provided the applicant has declared in the application that this be immediately

accessible to the public. With respect to European patents, the Italian translation of the patent claims must be either served on the defendant or filed with the Italian patent office.

Enforcement prior to grant may include preliminary relief of description, seizure, preliminary injunction and publication of the decision.

Enforcement prior to grant may also include an action on the merits. In this case, the decision on the merits may be issued only after grant of the patent, and the court may stay proceedings until the patent is granted. Damages for infringement of a patent application are only those occurred after the date of either formal service of the application or its accessibility to the public.

8. Customs Seizure

Customs seizure of infringing goods entering or leaving the EU can be obtained following the procedures provided for under EU Reg. 608/2013 (as well as the implementing rules laid down by EU Reg. 1352/2013).

Due to the technical complexity of patent infringement issues, a customs action should not be expected prior to lodging an application for intervention. In patent matters seizure by customs therefore requires, as a matter of fact, that the patent owner has provided customs with sufficient and clear information on the patent and the infringing products, typically by providing customs with a technical assessment of patent infringement tailored to the expected infringing goods.

Upon the detection of suspected infringing goods, customs may suspend release of the goods or detain them and promptly inform the patent owner. The patent owner has 10 working days of receipt of the notification—which may be extended by additional 10 working days upon request—to confirm patent infringement and take action. In cases of infringement that is relevant under criminal law, criminal proceedings may be initiated also upon customs' own motion to the competent Public Prosecutor.

IV. Procedural Aspects

1. Court System and Specialization

In Italy, patent litigation is concentrated in specialized sections of 22 first instance courts and 22 courts of Appeal, primarily dealing with enterprise-related matters, including in particular IP matters. These are called the Enterprise courts (Tribunali delle imprese) and are distributed throughout the country by a ratio of one Enterprise court in each Region (with some exceptions). When one of the parties to the litigation is a foreign entity, jurisdiction is further concentrated in one of 11 specific Enterprise courts.

As a matter of fact, most patent litigation, particularly where it involves a foreign party, is concentrated in a limited number of Enterprise courts located in the

areas of major economic and industrial relevance (Turin, Milan and Rome).

Decisions of the Enterprise Courts are always taken by a panel of three judges, with the only exception of decisions on preliminary relief in the first instance, which are taken by a single judge. A single judge is in any event responsible for all case management issues up to the decision.

As judges do not usually have a technical background, it is customary for them to be assisted by technical experts in the evaluation of patent validity and infringement and, in most complex cases, in the calculation of damages. When an expert is appointed by the court for the assessment of technical issues—whether relating to patent validity and infringement (patent attorney) or to the assessment of damages (accountant)—the parties have the right to be represented by their own experts and to contribute to the court expert’s assessment in a kind of “technical mini-trial,” through the exchange of technical briefs prior to the court expert’s draft opinion and through comments thereon prior to its filing with the court.

Criminal proceedings, as often arise from customs seizures, are handled by criminal courts with no specialization in IP matters.

2. Bifurcation

In Italy, there is no bifurcated system for handling infringement and invalidity issues.

The same court handling an infringement claim may therefore hear also an invalidity counter-claim and vice-versa. Strict deadlines apply within proceedings on the merits to raise counter-claims.

3. Who Can Sue

An action for patent infringement may be brought by the patent owner or by an exclusive licensee. The standing to sue of non-exclusive licensees has been debated in the past but is being increasingly allowed by jurisprudence.

An action for patent invalidity may be brought by any interested party (including by the public prosecutor before civil courts). According to a broad and established interpretation of this rule, it is sufficient to claim that the (invalid) patent hinders the business of the interested party, as is typically the case for competitors. Some case law also requires that a specific and actual interest be claimed, such as the risk that a current or planned activity may be deemed to infringe the (invalid) patent.

To be admitted, a declaratory action for non-infringement requires a situation of objective uncertainty resulting from external factors, such as cease and desist letters or separate actions initiated by the patent owner.

4. Who Can be Sued

An action for patent infringement may be brought against all non-authorized subjects producing, using, putting on the market, selling or importing the infringing product or, in case of a patented process, applying the process or putting on the market, selling or importing the product directly obtained with the process.

Potential infringers may include the following: the producer, the distributor, the retailer, the intermediary, even when the products are destined for sale in other countries; the holder or the user, in as far as possession is directed to or takes place within a business or industrial activity; the importer, in as far as the products are destined for the market or used for business or industrial purposes; those showing the product at a trade fair; the supplier of components not covered by the patent but used to carry out the invention, in as far as the requirements for contributory infringement are met (see below).

Directors or employees cannot generally be sued personally for acts of infringement referred to the company employing them.

5. Admissibility of Evidence

All evidence within proceedings on the merits must be filed or requested within mandatory deadlines set by the court. At the first hearing the court sets three different deadlines: the first is aimed at allowing the parties to further state their claims and the facts on which they are based (30 days); the second and the third are respectively devoted to the parties’ filings and requests for evidence (30 days from the first deadline) and rebuttal evidence (20 days from the second deadline).

These deadlines are strictly mandatory and in principle no new facts, filings or requests for evidence are admitted at a later stage. The parties are therefore compelled to file or request all the available or needed evidence—including evidence on damages—at a rather early stage of the proceedings.

An important exception concerns expert evidence, which usually takes place at a later stage, when no further evidence would generally be permitted. In particular, the court expert can receive from the parties, within the technical examination discussed above, new evidence related to the scope of the assessments requested by the court, as is typically the case of new prior art.

Witness evidence may be admitted on request of the parties, which must indicate the witnesses and the relative factual circumstances in form of specific and separate questions, on which the witness will be heard by the court. If admitted, the court will request the witness to respond to the questions drafted by the party and may, on its own motion or upon the parties’ request, ask witnesses to clarify specific facts and/or

confront them in cases of conflicting statements. Upon the parties' agreement, the gathering of witness evidence may also take place in a written procedure.

The gathering of evidence within preliminary proceedings is informal, with no strict deadlines and is generally subject to the discretion of the court.

6. Structure of the Proceedings

Preliminary relief is the result of swift and informal proceedings, including at least an application for relief, a statement of defense, and a hearing at which the case is thoroughly discussed in view of the relief requested. In most patent cases, an expert is involved by the court for the assessment of the technical issues of validity and infringement. Additional hearings or an exchange of written briefs may be ordered by the court depending on the complexity of the case.

In the event an *ex parte* order is granted, the statement of defense and the hearing take place shortly after the enforcement of the relief.

Proceedings on the merits follow a much more structured format with strict deadlines governing the activities of the parties. In patent cases, these activities include the preparation and filing of at least seven briefs by each party (writ of summons or statement of defense; three authorized briefs on the parties' respective claims, evidence and rebuttal evidence; final statement of claims; final briefs and final reply briefs)—with additional technical briefs submitted to the court expert—and the attendance at five or more hearings (first hearing; hearing on the admissibility of evidence; appointment of the court expert; discussion of the court expert's opinion; possible further hearings in case an additional court expert accountant is appointed for the assessment of damages or in case additional evidence needs to be gathered; hearing for the final statement of claims; if requested, hearing for the oral discussion of the case).

In most patent cases, as discussed above, the court appoints an expert to assess the technical issues of patent validity and infringement.

This structure is frontloaded, with most of the critical legal information provided and filed in the first few rounds of briefs.

7. Timing including Preparation

Preliminary relief proceedings usually last from approximately one to five months in the first instance and one to two months on appeal. *Ex parte* orders, in particular a description order or preliminary injunction, can be obtained within days or even hours in exceptional circumstances, depending on the urgency.

Proceedings on the merits, which typically also include both issues of infringement and patent invalidity, usually last from two to three years in the first instance and one to two years on appeal.

Longer timeframes may apply depending on the complexity of the case, the assessments required of the court expert and the competent court.

Preparation of the action may be as quick as one to three weeks, but perhaps more depending on the possible need to coordinate with parallel actions in other jurisdictions. It is usual practice, particularly in interlocutory actions or in complex patent litigation, to obtain the written opinion of a patent attorney and to file it with the application.

8. Costs and Cost Reimbursement

Court fees are based on the value of the claim declared by the party and must be paid upfront. They are doubled for proceedings pending before Enterprise courts, but halved for preliminary relief proceedings and increased by half on appeal. For values that cannot be determined in advance—as in most cases—the basic court fee, subject to the above increase or decrease, is equal to 518.00€.

Counsel fees largely depend on the complexity of each single case. Fees for preliminary relief proceedings may vary from 15,000.00€ to 50,000.00€ in the first instance and from 10,000.00€ to 30,000.00€ on appeal. Fees for proceedings on the merits may vary from 50,000.00€ to 150,000.00€ in the first instance and from 30,000.00€ to 70,000.00€ on appeal. Additional costs may apply with respect to technical experts (patent attorneys or accountants) and prior art searches, as needed during proceedings, and in cross-border cases due to the accompanying translation costs and need for coordination.

Generally, the winning party is entitled to recover its costs from the losing party, but this is a matter where courts have wide discretionary powers. Courts may totally or partly set-off costs between the parties, especially if new case law or new issues are involved, and may take into account the behavior of the parties during litigation or the unjustified rejection of settlement proposals in the allocation of costs. In recent times, courts have started to award legal fees more generously than in the past and a reasonable expectation of costs recovery may be considered between 50 percent and 70 percent of the actual costs incurred.

9. Enforcement of Decisions

Enforcement of preliminary relief varies depending on the specific relief granted.

Description and seizure orders are enforced by the court bailiff with the assistance of one or more court-appointed experts, including a patent attorney for technical issues, an accountant for accounting data and an IT expert for accessing and processing electronically stored data, as the case may be. The applicant may be authorized to take part in the operations also through their counsel and/or experts. Enforcement

must be carried out within 30 days from issuance of the order. After this term, any operations already underway may be completed but no new operations may be initiated unless they are reauthorized by the court within proceedings on the merits.

Description and seizure orders may also target objects owned by third parties not indicated in the application, as long as they have been produced or sold by the alleged infringer. In this case, the minutes of the operations must be served on the third party, together with the application and the order, within 15 days from their completion, failing which the relief loses effect and materials seized must be returned.

Preliminary injunction and withdrawal from the market are enforced through formal service on the defendant. Enforcement of the penalty for non-compliance may require—particularly when involving factual assessments—an action on the merits.

First instance decisions, as well as decisions on appeal, are immediately enforceable. Enforcement requires formal service of the decision on the defendant. All monetary relief, if not voluntarily paid, requires that the winning party initiate enforcement proceedings, which may involve the seizure and forced sale of the debtor's assets (including bank accounts).

In cases of willful and systematic infringement of a patent (so-called acts of piracy), the enforcement of the decision may be accompanied by the precautionary seizure of the infringer's assets, including the freezing of its bank accounts, up to the expected amount of damages. In this scenario, the winning party will be in a position to start enforcement prior to the decision on the merits and obtain payment through the release of the funds once the decision granting damages is issued.

Publication of the court decision is usually organized by the winning party with the costs charged to the losing party.

10. Appeal

Both decisions on preliminary relief and decisions on the merits may be appealed.

Decisions on preliminary relief may be appealed before a panel of three judges of the same court, not including the judge who issued the appealed decision. The deadline for the appeal is 15 days from the communication of the decision.

In appeals against preliminary relief, the court may receive new evidence and both issues of fact and law are evaluated. While theoretically possible, an appeal against preliminary relief usually does not involve a new technical expertise.

Enforcement of preliminary relief is not automatically blocked by the appeal, but the court may stay enforcement, or provide for enforcement upon security, in cases involving serious damage due to supervening

circumstances claimed and proved by the appellant.

Decisions on the merits may be appealed before the competent Court of Appeals. The deadline for the appeal is 30 days from service of the decision, provided this is carried out by either party, or six months from the publication of the decision. These deadlines, as all procedural terms, are stayed from 1 to 31 August of each year.

The appeal evaluates all factual and legal grounds raised by the appellant and may involve, especially in highly disputed cases, a new technical expertise. No new claims, objections or new evidence is allowed on appeal, with the possible exception of new prior art made available to the court-appointed expert.

The court may stay enforcement of the first instance decision only upon the presentation of serious and well-established grounds, with or without the provision of a security. The format of appeal proceedings follows that of first instance proceedings but is highly simplified.

11. Service Abroad

Service abroad is necessary in patent infringement actions filed against a foreign entity, for either interlocutory proceedings or actions on the merits, and in cases it is necessary to put a foreign infringer on notice of a patent application.

Service deadlines may apply. Within preliminary relief proceedings, the order of the court setting the hearing date must be served on the defendant within the deadline set by the court. Within an action on the merits, the deed of summons must be served on the foreign entity at least 150 days prior to the first hearing, so as to allow the defendant sufficient time to retain counsel and enter an appearance.

Service to EU countries follows the procedures set under EC Reg. 1383/2007, implying either service through Transmitting and Receiving Agencies or direct service through the post services. In both cases, service is affected in Italy through the court bailiffs. As a rule, the documents to be served must be translated in a language that the addressee understands or in one of the official languages of the place where service is affected.

For service to non-EU countries, multilateral conventions (as the Hague conventions of 1954 and 1965) or bilateral conventions with the relevant countries may apply, providing for service through the competent central authorities involved or, in some circumstances, through the post services or the diplomatic channels, as well as for language requirements. If no international convention applies, the residuary rule requires that the documents and their translation be sent through the post in collaboration with the Public Prosecutor and the Ministry of Foreign Affairs.

In particular cases, the court may authorize that

service be made with alternative means, *e.g.* through e-mail or fax. This is a useful tool in particular where urgent service is required within preliminary relief proceedings.

12. Influence of Foreign Decisions

Foreign decisions are not binding on Italian courts. However, they may have a strong persuasive effect if well grounded, especially if rendered on the same subject matter or between the same parties in parallel patent litigation.

The EPO case law may also be influential and can be used to further support the parties' arguments, in particular within the technical assessment carried out by the court expert.

13. Protection of Confidential Information

Confidentiality issues are of special relevance in the enforcement of pre-trial description orders aimed at securing evidence to support the following action on the merits.

In particular when description orders are granted and enforced without prior notice, the party subject to it has to cope with the surprise effect of the visit to its premises of the court bailiff accompanied by the court expert and the applicant, who are entitled to have access to technical and accounting data of a highly confidential nature. The issue of protection of confidential information may therefore arise in respect of data relating to activities carried out by the alleged infringer that are not directly connected to the scope of the action, or relating to the alleged infringing activities in cases where the defendant submits a counter-claim asserting the invalidity of the patent enforced (invalidity is however not an issue that the court would examine within description proceedings, unless further preliminary relief is requested).

Confidentiality issues may also arise when enforcing seizure orders, which may also affect accounting documents and other confidential information, as well as in respect of orders for the exhibition of documents or for the request for information, which may be granted against the alleged infringer for evidence purposes.

In all the above cases, the law expressly provides that adequate measures be taken for the protection of confidential information.

The actual measures to be taken are not specified in the law and mainly depend on the decision of the court on a case-by-case basis. These may include: allowing access to the information only to the technical experts under confidentiality obligations; requesting the court expert to examine the contents of the documents and extracting the non-relevant information before allowing access by the parties; classifying the confidential information and allowing access to it at a later stage of the proceedings (*e.g.* classification of sales and accounting data until patent validity and infringement have been assessed by the court expert).

At the time of drafting this review, specific rules are being discussed for the implementation of Directive (EU) 2016/943 on or before June 9, 2018, and, in particular, for providing specific remedies and limitation of access to confidential information in legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret, in line with art. 9 of the Directive. It remains to be seen if and to what extent these rules will be applied by the case law also to confidential information in patent litigation.

V. Claim Construction

1. Most Important Rules for Literal Claim Construction

The law expressly provides that the scope of protection granted by the patent is determined by the patent claims, though the description and drawings may be used in claim construction.

Patent claims have therefore a central role in determining the scope of protection of the patent, which cannot be extended to features not claimed, despite being contained in the description or the drawings. Thereby, claim construction follows objective criteria, with the exclusion of the possible subjective intentions of the applicant. Patent claims must also be considered in their entirety, therefore including all pre-characterizing and characterizing features, both for assessing novelty and inventive step and for assessing infringement.

The main guidelines in claim construction expressly provided by the law seek to balance the need that the patent owner receives fair protection while ensuring a reasonable degree of legal certainty for third parties. This rule is not further specified, but it is usually understood that it should be applied in compliance with the more detailed protocol on the interpretation of art. 69 EPC 2000: therefore, on one side, claim construction should not be limited to the strict literal interpretation of the claims, but rather the full meaning of the claims should be construed with the help of the description and the drawings; on the other side, the scope of protection should not be extended to what, from a consideration of the description and the drawings by a person skilled in the art, the applicant has contemplated.

In fact, literal claim construction is usually made based on a claim chart identifying and separating the different features of the patent claims. These are then compared with the prior art in the assessment of novelty and inventive step and with the alleged infringing product in the assessment of infringement.

2. Doctrine of Equivalents

The doctrine of equivalents in claim construction has long been established in case law and is expressly recognized by the law, which provides that the scope of protection of the patent is determined also by taking in due account any element that is equivalent to an element specified in the claims.

The law does not further clarify the precise requirements for identifying infringement by equivalents and, to some extent, case law has not always followed the same approach.

In general, case law has identified infringement by equivalents in cases where the solution of the alleged infringer is “formally different” from that claimed in the patent but can be considered as the expression of the same “inventive idea,” or in other words of the “core of the patent,” as identified on the basis of the patent claims.

In the effort to identify objective criteria for this assessment, the case law (i) has applied the “triple identity test,” also called the “Function Way Result test,” holding that infringement by equivalents exists when the infringing product carries out the same function in the same way and with the same result, and/or (ii) has carried out an evaluation of the “obviousness” of the infringing solution as compared to the patented solution, holding that if the allegedly infringing solution is not obvious for the person skilled in the art it is also not equivalent and can be the object of a separate invention.

The obviousness approach has been much criticized in as far as it leads to the conclusion that inventive solutions are never equivalent, which has proven to be incorrect with regards to patents that are an improvement of, or more in general are dependent on, prior inventions: these show that inventiveness does not *per se* exclude equivalence. For this reason, some jurisprudence has clarified that infringement is not excluded in cases of inventive features, at least where the inventive idea is still used by the infringer to obtain the same result. Some decisions have also applied both the “FWR” test and the “obviousness” test, requiring both identity of function, way, result and obviousness of the solution.

As a result, it is fair to say that the legal position on infringement by equivalents in Italy is not completely settled and proceeds on a case-by-case evaluation.

There has also been an ongoing discussion on whether the assessment of equivalence should be conducted as of the time the patent was filed or when infringement supposedly occurred, with prevailing case law focusing on the latter.

It is generally excluded that the prosecution history may *per se* be binding in claim construction and, in particular, that prior statements made by the applicant may directly affect the scope of protection of the patent or the assessment of infringement by equivalents. However, courts may freely evaluate such elements, which may become relevant in particular where they resulted in amendments or limitations to the patent claims.

VI. Liability

1. Direct Infringement

The exclusive rights conferred by the patent allow the right holder to prevent others from carrying out the invention or gaining a profit from it within the Italian territory. This does not require that the third party was

aware that it was infringing the patent, because knowledge of the patent is presumed as a consequence of its publication. However, negligence may play a role with respect to liability for damages.

Infringement is established when the essential elements of the inventive idea of the patent, as resulting from the patent claims and their construction, has been reproduced and, as a result, the allegedly infringing solution corresponds to the solution to the technical problem provided by the patent. In as far as these essential elements are reproduced, infringement is not excluded by adding or omitting secondary features, simplifying or complicating, or improving or worsening the inventive idea.

2. Indirect Infringement

Established case law accepts, under the doctrine of indirect or contributory infringement, that the supplier of non-patented components may be held liable for patent infringement if these components are essential to carrying out the invention and the supplier was aware that the sole purpose of the components is the infringement of the patent.

Recently, a new set of provisions were introduced in the law to expressly cover indirect infringement in line with the UPC Agreement.

The new rules provide that a patent grants its proprietor the exclusive right to prevent a third party from supplying or offering to supply any other party that is not entitled to exploit the patented invention with means that both relate to an essential element of that invention and are necessary for putting it into effect in the territory of a state where the invention is protected. This is the case only where the third party knows, or should have known using ordinary care, that those means are suitable and intended for putting that invention into effect.

The above rule does not apply if the means consist of products currently in the market, unless the third-party supplier induces the purchaser of the components to perform any prohibited acts under the patent. In addition, for the purposes of this rule, persons performing acts falling within the so-called limitations of patent rights (*e.g.* private use, experimental use, and the Bolar exception) are not considered parties that are entitled to exploit the patented invention.

It remains to be seen how the case law on indirect infringement further develops following the new provisions.

3. Divided Infringement

Divided infringement is not specifically addressed by the law nor has been the object of any specific developments in the case law.

VII. Particular Defenses

1. Limitation of Claims

Limitation of patent claims can be requested either in the course of pending proceedings (see above) or before the patent office.

In the case of limitation before the patent office, the right holder must submit a request to the Italian PTO, attaching to its request the description, claims and drawings, as modified. In case the request of limitation is accepted, the new text of the patent is republished in the official bulletin. Republication of the patent implies notice to the public and is therefore relevant to determine the effects of the limitation toward third parties. The right holder may, however, anticipate these effects by serving the new text of the patent on the alleged infringer.

In the case of a European patent with effects in the Italian territory, limitation of the claims can take place both before the EPO and before the Italian PTO. In this case, the two procedures must be coordinated, in that the last concluded procedure may only further limit the scope of the patent.

2. Exhaustion

Exhaustion is expressly governed by the law, and applied by long established case law, along the lines set under European law and clarified by the case law of the Court of Justice of the European Union.

It is worth noting that the law extends the principle of exhaustion to all intellectual property rights and throughout the European Economic Area, and in this respect it also applies within the EEA to non-harmonized IPRs (therefore, beyond the more limited scope of the provisions of the EEA Agreement).

The rule provides for the exhaustion of the intellectual property rights (including patent rights) incorporated into a product once the product has been put on the market by the right holder or with its consent in the territory of the state, or in the territory of a state that is a member of the EU or of the EEA.

Thereby, international exhaustion (*i.e.* out of the EEA) does not apply.

Exhaustion requires that the actual products were sold or otherwise formed the subject matter of an act implying its destination to the market. Payment of a price is not needed in as far as faculties comprised in the scope of the right have been transferred to a third party (not included would therefore be the transfer free for charge for experimental purposes or for personal use, or the mere delivery to consignees, couriers, agents or representatives, with no right to use the goods).

Those acts must have been carried out by the right holder or its licensees or distributors implying its consent. This would not be the case of a licensee selling the products in breach of its obligations under the license agreement.

Exceptions to the exhaustion principle apply in cases where the right owner has legitimate grounds to oppose

the further commercialization of the protected goods, in particular where the status of the goods has been modified or altered after they have been put on the market. In such cases, exhaustion is not a hindrance to an infringement action.

3. Conversion of an Invalid Patent Into a Utility Model

As a general rule, an invalid patent may produce the effects of a utility model—or vice-versa—provided that it meets the relevant validity requirements and the patent owner would have applied for it had it known of the invalidity of the original application.

The request for conversion can be made at any time and at any stage of pending proceedings. Upon assessment of the relevant requirements, the court orders the conversion and the patent owner must file an application for amendment of the text of the patent with the patent office within six months of the date of the decision becoming final.

If the conversion of the patent implies a longer duration of protection, licensees and those who had made, in view of its imminent expiry, substantial investments to use the object of the patent are entitled to obtain a compulsory, royalty-free and non-exclusive license for the new longer term of protection.

VIII. Statistics

The official statistics made available by the Italian Ministry of Justice do not specifically refer to patent litigation, but include all IP litigation, and in particular trademark and patent litigation, heard before the Enterprise courts. The available figures for the years 2014-2016 are the following:

IP Litigation			
Year	New Cases	Concluded	Pending
2014	885	1,073	2,402
2015	854	1,022	2,219
2016	810	968	2,075

Trademarks And Patents			
Year	New Cases	Concluded	Pending
2014	354	404	989
2015	329	414	905
2016	314	401	821

■ Available at Social Science Research Network (SSRN): <https://ssrn.com/abstract=3271076>.