

# The innumerable lives of a patent in Italy

A recent rule change in Italy enables patents to be modified at any stage during litigation. **Licia Garotti** explains why it has been criticised, and sets out some strategies for patent owners

In Italy patents are regulated by the Intellectual Property Code (Legislative Decree number 30 of February 10 2005) (ICP), as most recently amended in 2010 (Legislative Decree number 131 of August 13 2010). With the aim to further harmonise Italian patent law with the rules laid down by the European Patent Convention, the third paragraph of article 79 IPC provides the possibility for the patent owner to submit, within a court litigation, and “in each stage of the proceeding”, a “reformulation of the claims that remains within the content of the application as filed and which does not extend the protection it confers”. This option joins the already available administrative procedure for the limitation of a patent before the Italian Patent and Trade Mark Office.

The possibility for the patent owner to save the patent within a court proceeding is not new in Italy. In the past, the patent owner could already propose, usually within the court technical phase, a limited set of claims. If the court, on the advice of the appointed expert, agreed with that limitation, the patent was declared partially void, saving therefore the remaining limited scope of protection.

## The new rule

So, what did the new rule change? And why are practitioners and judges worried about it?

First, the third paragraph of article 79 IPC could change litigation strategy. As mentioned above, the amended rule allows the patent owner to modify the patent before a court. Unlike in the past, this can now be done at any time and, possibly, in each of the three available stages of proceedings. The sole restriction is that the proposed amended set of claims does not extend beyond the content of the application as originally filed and does not extend the protection conferred by the patent as granted.

Judges that have already faced the issue have some concerns about the implications that this rule could have from a procedural perspective and, in particular, on the length of the process. The new opportunity could in principle entitle the owner of a patent to postpone the expiry of his title for an indefinite time, trying to overcome possible prior art documents for ever or, at least, until its natural expiry.

Thus, it is not difficult to imagine that, once the court technical expert issues his or her opinion, finding that the patent does not meet the validity requirements, the patent owner will submit an amended set of claims.

Considering that in almost all patent proceedings, judges appoint a technical expert skilled in the technical field of the patented invention, what will happen – and what is already happening – is that, each time the expert holds that the patent does not meet one of the validity requirements, the patent owner will submit an amended set of claims. And so ideally back and forth, until (the expert and) the court finds a (limited at this stage ...) scope of protection of the patent or there is no more room left to assess one.

The main critics of the rule stressed that this not too remote situation will have an impact not only on the alleged infringer attacked in the proceeding, who would have to remain a spectator of the patent owner's activity, but also on third parties and competitiveness. In particular, the modification, even if with the purpose of limiting the text of the claims, would imply an alteration of the scope of protection of the patent, determining a shift or rather a digression of the duty of abstention of third parties, whose interest lies not only in knowing how wide is the scope of an exclusive monopoly, but also on what precisely such monopoly includes (Prado, *Il Dir Ind* 2011).

## Is there any remedy available?

The debate is passionate and judges, who are dealing, and have already dealt, with the matter at issue, are trying to provide some guidelines on interpreting the rule.

## One-minute read



Italy's IP Code was amended in 2010. To harmonise the country's patent law with the EPC, the possibility to amend a patent at any time during litigation

was introduced, provided the scope of protection is not extended. This brought a fundamental change to litigation strategy, and led to a number of concerns being raised by practitioners and judges, including the possibility that trials could become longer and more complex, and that potential infringers and third parties could be disadvantaged. In recent cases, judges have sought to interpret the new rule, addressing issues such as its retroactive effect and the number of opportunities the patent owner has to amend the claims. A further question is the effect of amended claims on requests for damages. As long as some issues remain uncertain, the new rule should be seen as an opportunity for patent owners – but one that should not be exploited unfairly.

## Questions over damages

Another question concerns the claims for damage compensation.

In principle, since the amendment must be a limitation as required by the law, the limited scope of protection was already included in the original formulation of the patent. Thus, if the attacked product interferes with the patent scope of protection as it results from the limitation, the infringement should imply the right to compensation of the damage suffered by the patent owner for the non-authorised use of the patent. Needless to say, it is not so easy ... The limitation could, for instance, consist of taking a feature from the description of the patent, which was not claimed in the original formulation.

How far and how deep should be the diligence and care of a competitor? Faced with a patent held void as filed, should he have excluded any

reasonable possible amendment that could/would save a revised version of the claims? The legal disclosure implies that third parties rely upon the scope of protection of the original patent. This substantiates the fault of the infringer.

There could now be cases of innocent infringements and the new set of claims could have effects *ex nunc*, that is from the new formulation or, better said, from the publication of the amended shape of the patents in suit. In such a case the patent owner would not be entitled to damage compensation for the past activity. This was confirmed in the interesting recent seminar organised in Milan by the Italian School for the Judiciary, with many Italian and foreign speakers from the judiciary and academia.

One of the topics discussed was the balance of the interests of third parties. In particular, it

was stressed that, in the face of a revision of the set of claims according to the third paragraph of article 79 IPC, the fault of the attacked infringer should be concretely demonstrated, unless the infringement effectively remains in the funnel of the claimed invention as amended.

Judges could decide to include in the technical question usually submitted to the appointed court technical expert whether the attacked infringer could have reasonably imagined that the patent could be saved in an amended formulation or if, on the contrary, he could (or better said, should) not reach the revised and, therefore valid, claims solution.

Especially in this regard, a single rule that can apply in all cases of amendment is impossible, or at least not wise, to predict, each situation having to be analysed separately.

First, it has been made clear that paragraph 3 of article 79 IPC has a procedural nature. This means that it also applies to proceedings already pending when the new rule came into force. The initial position of the Court of Milan, which excluded the application of article 79, paragraph 3 IPC to pending proceedings (decision of July 7 2011, in *Il Dir Ind* 2011), has now been revised and overturned by, among others, the Court of Milan (decision of April 14 2014, unpublished).

Second, and from a substantial point of view, the proposed amendment cannot be ambiguous. Italian judges already stressed that “the faculty for the patent owner to submit an amended set of claims means that such request has to provide a reformulation that must be very precise in each single feature and cannot consist of several and different alternatives that would demand the choice of the correct formulation of the claims, until a valid patent is reached, to the judge (or to the court technical expert)” (decision of November 15 2012, *Riv Dir Ind* 2014).

Does this mean that the patent owner has just one shot and that the amended set of claims can be submitted only once? Such an interpretation would be based on the literal wording of the rule that provides that “the patent owner is entitled to submit ... a reformulation of the claims” (emphasis added), which in Italian could actually be read as “one reformulation”.

This seems, however, not to be the case: such a reading would not comply with article 138, paragraph 3 EPC, which contains no numerical limit. In this regard, the Court of Milan recently reopened a court technical phase after the appointed expert found the patent as filed invalid and the patent owner submitted a revised set of claims. The Court stated that “the wording of article 79 entitles the party to amend the set of claims for which the protection is sought until the final hearing, introducing a para administrative procedure within a Court litigation in compliance with Community duties, even if with effects that are contrary to” the reasonable and correct duration of a proceeding “according to article 111, paragraph 2 of the Constitution of the Italian Republic ...” (Court of Milan, January 28 2014, unpublished).

In reality, as stated by Umberto Scotti, Presiding Judge of the Company Specialist Section at the Court of Turin at a recent conference: “Faced with the possible abuse of the proceeding, the Italian legal system would in

any case have the remedies,” namely the general rules that apply where there is misuse of the right.

This was confirmed in a recent decision, where the judge did not authorise the filing of further documents during the technical phase (the possibility to file documents directly in the technical debate, even if the deadline for submissions and evidence requests has expired, is provided by article 121, paragraph 5 IPC) once the expert’s technical opinion was already submitted. A different decision would have “inevitably caused the violation of the principle, having constitutional value, of the reasonable length of the proceeding,” said the judge (Court of Milan, decision of April 14 2014).

This decision is worth mentioning because it draws attention to the particular care that the patent owner should take when submitting a revised and limited set of claims. In that case, the patent owner asked for the limitation of the patent claims without specifying that such request was formulated in a subordinate way, that is it should only be considered if the patent as originally filed did not meet the necessary validity requirements. Thus, if the appointed expert found the patent valid both in its original formulation and in its amended and limited form, the court held that the limitation requested by the patent owner was a withdrawal of the original formulation, maintaining the patent effective only in its limited version.

### A dangerous but favourable opportunity

Article 79, paragraph 3 IPC can be regarded both as a dangerous but also as a very favourable opportunity for a patent in Italy. The possible pathologic use of the faculty entitled by the amended rule to endlessly defer the termination of the litigation goes hand in hand with the physiologic nature of the right to amend the claims. It has therefore not to necessarily be seen as a ploy, but more as the possibility of a revision of the patent after the technical debate takes place within the litigation.



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