

## The Milan Court of Appeal on contributory patent infringement

The Milan Court of Appeal ruled (ruling no. 1094 of 14 May 2020) on the subject of contributory infringement, in a dispute concerning the validity and infringement of patents in the mechanical sector.

In the first instance proceedings, the Court of Milan found that some of the process claims of one of the patents at issue had been infringed through the sale to a Canadian customer of a machine conformed so as to allow the implementation of the patented process. The machine manufactured by the defendant had in fact been found to apply the method described in those patent claims.

The Court of Milan had affirmed the existence of the form of indirect patent infringement known as contributory infringement, which may exist, in the Court's words, "*when a product capable of implementing another subject's patented process is made*".

In the appeal proceedings, the appellant claimed that it had not made any use of the machines (supplied to the Canadian customer) in the Italian territory and, therefore, that for that reason the patented process could not be considered to have been implemented. In the present case, in fact, according to the appellant, the implementation of the process claims took place only in Canada - where the title in question, a European patent, has no effect - and not in Italy.

Indirect infringement, traditionally recognized by national jurisprudence and doctrine, was formally introduced into the Italian legal system on November 25, 2016 (*i.e.* after the first instance ruling of the Court of Milan) with the inclusion of paragraph 2-*bis* of Article 66 of the Industrial Property Code (IPC), which reads as follows:

***"(...) The patent also confers on the proprietor the exclusive right to prohibit third parties, except with his consent, from supplying or offering to supply to parties other than those entitled to use the patented invention the means relating to an indispensable element of that invention and necessary for its implementation in the territory of a State where it is protected, if the third party is aware of the suitability and purpose of those means to implement the invention or is able to do so with ordinary diligence"***.

In a nutshell, contributing to a third party's wrongful act amounts to contributory infringement. According to the appellant – who has referred to paragraph 1 of Article 66 of the IPC, defining the territorial scope of the patent rights, *i.e.* the "territory of the State" - in the absence of an unlawful act by the third party, there is not even a participation in the unlawful act, hence, no contributory infringement.

In fact, the Milan Court of Appeal rejected this ground of appeal, considering **irrelevant** the fact **that the process protected by the European patent at issue was applied outside the European territory**. Indeed, the Milanese Judges considered that the **machine supplied to the third party was capable of implementing the patent claims, thus defining it as an indispensable means of implementing the process claims in question**. Hence, it confirmed the patent infringement found at first instance. The Court also found that the subjective element had been proven too, as the (indirect) infringer's main purpose was indeed to enable his client to implement the patented method by using the machine supplied.

An important aspect of the judgment at hand with reference to the issue of indirect infringement is the fact that **the company has obtained the profits deriving from the patent infringement** (i.e. the payment of the agreed price for the machines sold to its client) **in Italy, which has been viewed as decisive by the Court of Appeal in view of the actual existence of the offence.**

The Court specified that, on the basis of a correct interpretation of art. 66 IPC, "(...) ***there is a contribution to infringement every time the author of the contribution makes profits in the territory of the State through the supply to another person, who applies the patented process in any place, of the means that are indispensable for the implementation of the process protected by the patent, with the knowledge that the means would have been used precisely for the implementation of that process***".