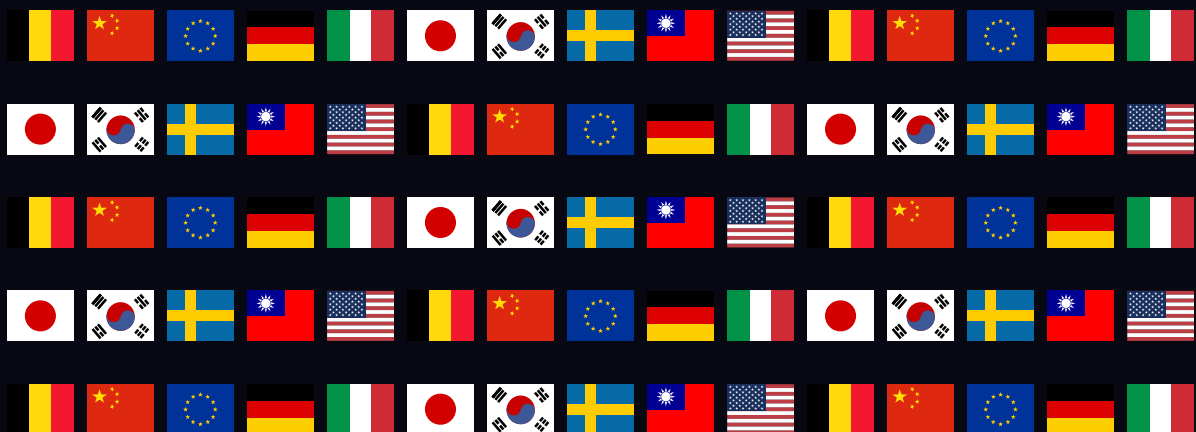


TRADE SECRETS

Italy



Trade Secrets

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Quick reference guide enabling side-by-side comparison of local insights, including protection; misappropriation; enforcement; remedies; and recent trends.

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Italy



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PROTECTION

Legislation and legal definition

What legislation governs the protection of trade secrets in your jurisdiction? How is a 'trade secret' legally defined?

The main source of law regulating the protection of trade secrets is the Italian Industrial Property Code (Legislative Decree No. 30 of 10 February 2005), as supplemented and amended by subsequent laws, under articles 98 and 99.

In particular, article 98 of the Industrial Property Code provides the legal definition of trade secrets, stating that this term includes any technical and commercial information that meets all of the following requirements:

- it is secret in the sense that it is not, as a whole or in the precise configuration and assembly of its components, generally known among or readily accessible to experts and operators in that field;
- it has commercial value because it is secret; and
- it has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

In addition to the provisions contained in the Industrial Property Code, trade secrets are protected under article 623 of the Italian Criminal Code, which punishes, with up to two years' imprisonment, anyone who, having become aware of trade secrets by reason of their status or occupation or by having unlawfully obtained them, discloses or uses the trade secrets for their own (or a third party's) benefit.

Furthermore, to seek protection against the violation of trade secrets, one may also invoke the general provisions concerning acts of unfair competition contained in article 2598 of the Italian Civil Code.

Finally, as a member of European Union, Italy is also subject to European legislation (regulations and directives) concerning trade secrets.

Ownership

How is ownership of a trade secret established?

Trade secrets are an unregistered intellectual property right and therefore, unlike trademarks and patents, there is no public register certifying their existence and ownership.

In any event, anyone who holds a set of information that meets the requirements of article 98 of the Industrial Property Code, either having developed it independently or by means of reverse engineering operations or having acquired the ownership by way of a contract, shall be deemed to be the lawful owner of the trade secrets.

Secrecy

What criteria are used to establish the state of secrecy of a trade secret before misappropriation or disclosure?

The legal definition of secrecy is provided by article 98 of the Italian Industrial Property Code, which defines as secret any information that is not, as a whole or in the precise configuration and assembly of its components, generally known among or readily accessible to experts and operators in that field.

Therefore, Italian law provides two criteria for establishing the secrecy of certain information or a combination of information, in particular (1) non-generic notoriety, and (2) the fact that such information it is not easily accessible to experts and operators of the field.

Generally known information means any information that is already in the public domain in the field or that becomes known as a result of an act of disclosure by the right holder or a third party. However, the fact that several parties may have knowledge of the same information does not preclude the existence of secrecy as long as, due to the limited number of holders, the information may continue to be defined as not generally known, and that competitors cannot access it except by undertaking demanding research, or by acquiring it from the holders.

Secondly, information that is not easily accessible, as interpreted by case law, has to be assessed in the light of the costs and time that a competing company would have to invest if it wanted to obtain the same information independently (or by means of reverse engineering operations); thus, information is considered to be not easily accessible when one must dedicate considerable time and investments to obtain it, to be assessed in relation to the specific industry.

Finally, with reference to the notion of experts and operators in the sector, it is necessary to point out that the notion of the 'state of the art' must be understood in a relative sense, and not in an absolute sense, as in patent matters. For these purposes, therefore, it is necessary to consider the figure of a qualified operator who is aware not of all the information that is abstractly accessible, but only of the information actually known or easily knowable in the sector, as well as that information that can easily be deduced from the same.

Commercial value

How is the commercial value of a trade secret established?

Information is considered to have an economic value – satisfying the requirement of article 98(b) of the Industrial Property Code – if it puts the company that holds it in a privileged position compared with competitors that do not have it, for example, by saving costs or production time or improving the quality of products or services.

Protective measures

What criteria are used to determine whether the rights holder has adopted reasonable protective measures to prevent disclosure and misappropriation of trade secrets?

The requirement of article 98(c) of the Industrial Property Code – consisting in the adoption of adequate protection measures – requires a concrete assessment of the measures adopted by the owner of the information to prove the owner's intention to maintain the secrecy of such information.

In particular, on the basis of an examination of the case law on the subject, the owner of the secret information must adopt protective measures both inside the company, for example, by having a written policy regulating the behaviour of employees or anyone who has access to such information, and outside the company, for example, by entering into confidentiality clauses with customers and suppliers.

If adequate confidentiality measures are implemented both internally and externally, the existence of the requirement set out in article 98(c) above shall be deemed to be satisfied.

Best practices

What best practices and internal policies should rights holders consider to ensure maximum protection of their trade secrets?

As regards internal company measures, the right holder should include specific confidentiality clauses in the contracts with its employees, which would supplement the general employee obligation of loyalty provided for in article 2105 of the Italian Civil Code, so as to specify in detail what kind of information is to be considered confidential. In addition, it would be useful to put in place non-competition agreements with employees to limit the risk of them leaving to work for competing companies, with the obvious risk of disclosure and use of the trade secrets belonging to the former employer.

A further useful measure within the company is the implementation of policies that regulate in detail the use of the company's IT tools, the criteria for classifying information (confidential and non-confidential), and access to the company by third parties.

As regards relations with third parties (private parties or public authorities), it is advisable to sign confidentiality agreements with these third parties, expressly classifying as confidential all information that is exchanged. In addition, in the event technical drawings are exchanged, it is important to mark them with labels that clearly indicate the identity of the owner of the rights in such materials.

MISAPPROPRIATION

Definition

What constitutes misappropriation of trade secrets?

According to article 99 (1) of the Industrial Property Code, without prejudice to the provisions regulating acts of unfair competition contained in article 2598 of the Civil Code, the abusive acquisition, use or disclosure of trade secrets to third parties constitutes a violation of the legitimate owner's rights. The term 'abusive' covers breaches of contractual or legal obligations as well as any act contrary to fair competition practices, such as obtaining confidential information from a former employee of a competing company.

According to article 99 (1-bis) of the Industrial Property Code, the acquisition, use or disclosure of trade secrets is considered unlawful even when the party that acquired, used or disclosed them, at the time of the acquisition, use or disclosure, knew or, under the circumstances, should have known that the trade secrets had been obtained directly or indirectly from another party who was using or disclosing them unlawfully.

Finally, according to article 99 (1-ter) of the Industrial Property Code, the production, offer, marketing, importation, exportation or storage of goods infringing trade secrets is considered unlawful when the party who carried out said activities knew or, under the circumstances, should have known that the trade secrets had been used unlawfully.

Exclusions

Are any activities explicitly excluded from the scope of trade-secret misappropriation?

Article 99(1) of the Industrial Property Code explicitly excludes from the scope of trade secret misappropriation the acquisition of trade secrets in an independent manner. According to the common viewpoint of legal doctrinal and case law, independent acquisition includes both independent discovery and reverse engineering practices, with the clarification that part of the case law (eg, Court of Bologna, 5 January 2015) and legal doctrine considers reverse engineering practices unlawful only if they required particularly high time and cost investments, constituting in that

case a parasitic exploitation of other parties' efforts and knowledge.

Elements of misappropriation

How can the rights holder prove trade-secret misappropriation?

The most effective way to prove trade secret misappropriation is to demonstrate that the other party is in possession of confidential documents owned by the right holder in violation of a contract or a legal obligation. This is generally achieved by filing a judicial application for an ex parte inspection, in order to obtain full evidence of the infringement or some additional information on the extent and the economic importance of the infringement or the involvement of third parties, including the infringer's suppliers and clients.

A further approach that is useful for proving trade-secret misappropriation is the demonstration that the alleged infringer has placed on the market new products that are identical or similar to those of the right holder in a very short period of time, compared to the period that would be necessary to develop such products: in this regard, useful elements of proof are the placing on the market of such products in a period immediately following the hiring of former employees of the right holder company and the non-existence (or insufficiency) of expenses in research and development contained in the company balance sheet of the alleged infringer.

Burden of proof

How is the burden of proof distributed in trade-secret misappropriation claims?

The right holder has to prove, first, that the right claimed meets all the requirements for protection set forth in article 98 of the Industrial Property Code and can therefore be qualified as a trade secret. Second, it has to prove that the alleged infringer has unlawfully acquired, disclosed or used the trade secrets.

As for the alleged infringer, to avoid liability, it will be sufficient to prove the absence of one of the requirements of article 98 of the Industrial Property Code with regard to the information in question or the lawfulness of the conduct that was disputed by the right holder.

Extraterritorial acts

Can acts taking place outside your jurisdiction support a charge of trade-secret misappropriation?

Under Italian law, only acts that take place within the Italian territory are punishable. However, acts that take place outside of Italy can certainly support a claim of trade secret misappropriation, particularly when part of the alleged conduct takes place within Italian jurisdiction. A possible case could be a company misappropriating a competitor's trade secrets within a different jurisdiction and then using them within Italy; in this case, in order to demonstrate the unlawfulness of the use of trade secrets and request the cessation of the use within the Italian territory, it would certainly be useful to prove that trade secrets were misappropriated (even in another jurisdiction) and therefore were not independently developed.

ENFORCEMENT PROCEEDINGS

Causes of action

What causes of action are available and commonly asserted against misappropriation and unauthorised disclosure of trade secrets in your jurisdiction?

In the Italian legal system, in the event of the misappropriation of trade secrets, an injured party can raise claims against an alleged infringer based both on contractual actions, concerning breach of a contract (generally of confidentiality), and on non-contractual actions, if no contract exists but the conduct of one party is nevertheless punishable under article 99 of the Industrial Property Code. In both cases, it is possible to file a preliminary action before the court claiming (1) an *ex parte* inspection at the alleged infringer's premises, to obtain evidence of the infringement and/or some additional information on the extent and the economic importance of the infringement or the involvement of third parties, or (2) the cessation of the allegedly unlawful conduct, or both. It is also possible to file an action on the merits not only to obtain confirmation of the measures issued in the preliminary action, but to obtain compensation for any damages suffered.

Court jurisdiction

What criteria are used to establish the courts' jurisdiction over trade-secret disputes? Are there any specialist courts for the resolution of trade-secret disputes?

The criteria used to establish the courts' jurisdiction over trade-secret disputes are set out in article 120 of the Italian Industrial Property Code. In particular, the owner of the trade secrets may file a legal action against the alleged infringer before the competent court: (1) in the place of residence or domicile of the defendant, which in the case of companies corresponds to the place of the registered office (*forum rei*), or (2) in any place where the defendant advertises, promotes or markets the disputed product or service (*forum commissi delicti*). As anticipated, these are two alternative criteria that are left to the total discretion of the plaintiff, who may thus apply, where possible, to the court it considers the most 'reliable'.

Second, pursuant to article 134 of the Industrial Property Code, cases concerning intellectual property – and therefore also concerning trade secrets – are to be heard in specialised section of the courts, referred to as the specialised business section, which is composed of judges that are expert in these matters. There is a specialised business section in all of the larger Italian courts (the most important are in Milan, Turin, Venice, Rome and Bologna).

Procedural considerations

What is the typical format and timetable of proceedings?

From a general point of view, there are two different types of civil action that can be invoked for the protection of trade secrets.

As regards urgency proceedings, it is necessary to file an action against the alleged infringer before the competent court, containing a description of the right claimed and the grounds of urgency, as well as the claims to be submitted before the court, which generally consist of a request (even *ex parte*) for inspection and/or seizure and/or cessation of the unlawful acts. If the judge grants the measures requested *ex parte*, the plaintiff may, accompanied by the bailiff, enter the opposing party's premises to execute the measures granted. Afterwards, the defendant may reply to the plaintiff's claims by filing a statement of defence, after which the judge will schedule a hearing to discuss the case and confirm (or revoke) any measures already granted *ex parte*. Where necessary, the judge may order a further exchange of briefs between the parties and a subsequent oral hearing to discuss the matter. It is also possible, at that point, that the judge will decide to initiate a technical expertise phase, in which a neutral court-appointed expert would evaluate the technical evidence on the existence of infringement or misappropriation (better explained below). At the end of the technical expertise phase, or after the hearings, the judge will take the matter under advisement and issue a decision, which may then be appealed by the parties within 15 days. In any case, for some of the measures issued by the interim judge (of first or second instance), such as an order to seize the materials or goods, it is necessary to initiate proceedings on the merits within 20 days of the issue of the interim decision. The duration of the interim proceedings

(first instance or appeal) is approximately three to five months from the time of filing; if a technical expertise phase is conducted, the average duration extends to six to nine months. The duration may also depend on the court hearing the matter, as some are more efficient than others.

As regards ordinary proceedings on the merits, trade secret infringement actions are initiated once the claimant serves the writ of summons to the defendant. The defendant may appear in the action by filing a statement of defence with counterclaims and objections, and may also seek to join third parties that are allegedly involved in the matter, at least 20 days before the first hearing. This hearing cannot take place before 90 days have passed since service of the writ if the defendant is based in Italy. The term is extended to 150 days for foreign defendants. After the first hearing, the parties are allowed to exchange three rounds of briefs as provided by article 183 the Italian Civil Procedure Code, also formulating their pleadings on the basis of the opposing party's arguments (first brief), introducing evidence (documents) and evidence requests (witnesses examinations) to support their claims (second brief), and rebutting the arguments and evidence provided by the other party (third brief). In almost all trade secret litigation cases the court will appoint a technical expert that is skilled in the specific field of the trade secret, to provide a technical opinion on the goods and allegations in question. In the technical expertise phase, the parties are represented by their respective technical experts, who usually submit two technical briefs to the court-appointed expert. After examining the technical submissions, the court expert will issue a final opinion that, even if it is not binding for the judge, often provides a sort of anticipation of the outcome of the litigation, as the judge tends to follow the conclusions of the technical expert. The parties have the opportunity to discuss the court technical expert's report before the judge, who will then invite the claimant and the defendant to exchange their final statements of defence and rebuttals. A final hearing to discuss the case takes place only upon the request of a party, before the final decision. The typical timetable for proceedings on the merits, including the completion of a technical expertise, is between three and five years.

Limitation periods

What limitation periods apply for trade-secret misappropriation claims?

According to article 99 (1-quarter) of the Italian Industrial Property Code the limitation period for a trade-secret misappropriation claim is five years from the date of the unlawful act. If the claim is based on a breach of contract (such as a breach of a confidentiality clause), the limitation period is 10 years.

Secondary liability

To what extent can someone be liable for inducing or contributing to trade-secret misappropriation? Can multiple parties be joined as defendants in the same suit?

The Italian Industrial Property Code expressly regulates the behaviour of parties aside from the party that misappropriated trade secrets.

In particular, article 99 (1-bis) provides that a person who, at the time of acquiring, using or disclosing trade secrets, was aware or should have been aware of the fact that they were trade secrets obtained from a third party who, in turn, had unlawfully acquired or disclosed them, is also liable for infringement. The typical case is that of a former employee who independently steals confidential information and makes it available to the new employer; in such a case, the new employer has the burden of verifying the information made available by the employee, since otherwise it too would be held liable for infringement under article 99 (1-bis).

Apart from the express provision mentioned above, in general, a third party may be held jointly liable for trade secret misappropriation if its conduct has significantly contributed to the commission of the unlawful act, such as in the case where the employer has induced the employee to steal trade secrets from the competing company.

In the Italian legal system, it is perfectly acceptable to sue several parties in the same proceedings.

Obtaining and preserving evidence

What mechanisms are available to obtain and preserve evidence from defendants and third parties in trade-secret litigation?

The most suitable method to prove trade secret misappropriation is to demonstrate that the other party is in possession of confidential documents belonging to the right holder in violation of a contract or a legal obligation.

This is generally achieved by filing a judicial application for an ex parte inspection (articles 129-130 of the Italian Industrial Property Code) at the alleged infringer's premises, in order to obtain evidence of the infringement or additional information on the extent and the economic importance of the infringement or the involvement of third parties, including the infringer's suppliers and clients.

In the course of the proceedings, it is possible to ask the court to order the defendants or third parties to produce specific documents that are relevant to the case (eg, accounting records), if this does not cause serious prejudice to the party to which the request is directed, and if the fact to be proved cannot be proved in any other way.

It is also possible, with the judge's authorisation, to summon third parties to testify as witnesses or even to formulate specific questions to be answered by the defendants' legal representative.

Expert evidence

What rules and standards govern the admissibility of expert evidence?

Both the plaintiff and the defendant may file expert opinions in support of their claims, during interim proceedings and in the proceedings on the merits.

The judge, at the request of a party or of their own motion, may order a technical consultancy if they believe it necessary, in order to obtain a report from a neutral technical expert on the matter in question.

Confidentiality during litigation

What measures may the court and litigants take to protect trade secrets during litigation?

First of all, the general principles on civil proceedings apply, which prohibit lawyers as well as consultants and court auxiliaries from disclosing facts or information known by reason of their position or role.

Second, article 121-ter of the Industrial Property Code provides for special rules on trade secrets. In particular, the judge, upon request of a party and by means of a specific order, may expressly prohibit the parties, their lawyers and technical consultants, witnesses, as well as any person having access to the acts and documents of the proceedings in progress, from using or disclosing certain information that the judge deems confidential. In addition, the judge, again upon request of a party, may (1) limit access to the hearings as well as to the acts and documents of the proceedings to a limited number of persons, (2) order the redaction or omission of the confidential information relating to the trade secrets in the final decision of the proceedings made available to third parties (eg, for publication in online databases).

Defences

What defences are available and commonly asserted against trade-secret misappropriation claims?

The first and most important defence to be put forward is to contest the existence of any of the requirements of article 98 of the Industrial Property Code with respect to the alleged trade secrets in dispute. In particular, it is strategically effective to challenge (1) the requirement of secrecy, proving that the alleged trade secrets of the other party are information generally known or easily accessible to experts and operators in the field, as well as (2) the requirement of protective measures, proving that the alleged owner of the information has not adopted reasonable measures – both internally and externally – to protect the secrets.

A further line of defence is to prove that the acquisition of the other party's trade secrets was lawful (ie, not contrary to fair trade practices). In this regard, it would be useful to prove, for example, that the acquisition was made by means of an ordinary reverse engineering activity, or not in breach of a contractual relationship that was in place between the parties.

Appeal

What avenues of appeal are available following an adverse decision in a civil suit? Is new evidence allowed at the appeal stage?

In the event of an adverse decision in the interim proceedings, it is possible to file an appeal (referred to in Italian procedure as the *reclamo*) against the unfavourable decision, requesting a panel of three judges to review the case. Pursuant to article 669-terdecies of the Civil Procedure Code, it is possible in the interim appeal stage to submit new evidence that can be assessed by the judges, since in any case, for some of the measures indicated in the interim decision to maintain their effect it will then be necessary to initiate proceedings on the merits.

As regards the phase on the merits, it is possible to appeal against the decision of the first instance and, if necessary, then appeal the second instance decision to the Supreme Court of Cassation, which, unlike the first and second instances, does not evaluate the facts of the case, but only the correct application of the law. In the event of an appeal against a decision on the merits, pursuant to article 345 of the Civil Procedure Code, it is not possible to submit new evidence unless the party proves that for reasons beyond its control it was not able to submit it in the previous stage of proceedings (eg, due to unforeseeable circumstances or force majeure).

Costs

What is the typical cost range of a trade-secret misappropriation suit? Can a successful litigant recover costs and attorneys' fees?

The fees involved in a trade-secret misappropriation suit depend on the type of proceedings.

The average fees for interim proceedings are generally in the range of €15,000 to 25,000 (plus fees for the party technical expert, if any), and the average fees for proceedings on the merits are in the range of €35,000–60,000 (plus fees for the party technical expert, if any).

Pursuant to article 91 of the Civil Procedure Code and except in exceptional cases, the judge will order the losing party to reimburse the costs and attorneys' fees paid by the winning party (though in practice, often the amount awarded by the judge is much less than the costs actually incurred by the winning party).

Litigation funding

What litigation funding options are available?

Although it is possible to implement any type of litigation funding (including third-party funding and contingency fee agreements), these practices are not widespread in Italy, also due to the fact that the sums judicially awarded rarely consist of large amounts.

These types of arrangements are even rarer in the case of disputes over trade secrets, since it would be very complicated to estimate the amount of any damages that might be awarded by the court at the end of the proceedings.

Alternative dispute resolution

What alternative dispute resolution (ADR) methods are available to resolve trade-secret disputes?

Alternative dispute resolution (ADR) methods are rarely utilised in Italy, as they are not required by law before taking legal action.

In any case, a first alternative remedy is mediation, governed by Legislative Decree No. 28 of 4 March 2010, a procedure in which a third-party, impartial mediator assists the parties by assisting them to find a compromise, agreeing to settle the dispute amicably.

A second remedy is arbitration, in which a third-party, impartial arbitrator (or a panel of several arbitrators) decides the dispute with a binding decision that is referred to as *lodo arbitrale*. The use of this procedure is generally provided for by contract, including the location, language, rules of the procedure and method of appointment of arbitrators (eg, appointment of one arbitrator per party, plus a third arbitrator appointed by mutual agreement).

In any event, either before or during the litigation, the parties may enter into a settlement agreement to resolve the disputed issue.

Enforcement risks

To what extent may enforcement of trade-secret rights expose the rights holder to liabilities such as unfair competition?

The sole act of enforcing one's trade secret rights before the court does not constitute a form of unfair competition.

That said, the enforcement of trade secret rights may expose the right holder to a specific form of liability, which is referred to as aggravated procedural liability for reckless litigation. According to article 96 of the Civil Procedure Code the judge, at the request of one party, may condemn the plaintiff (eg, the right holder) to pay compensation for damages arising from initiating the proceedings, if it is evident that the plaintiff has engaged in bad faith or serious negligence, as, for example, in cases where the plaintiff's claims are in clear contrast with the law in force.

In these circumstances, a form of aggravated procedural liability could arise if the owner of the trade secrets brings an action for infringement against a party who clearly has not undertaken any infringing conduct (eg, for the sole purpose of putting pressure on that party for other purposes).

REMEDIES

Injunctions

Under what circumstances can a rights holder obtain a preliminary or final injunction in a civil suit for trade-secret misappropriation?

To obtain an interim injunction against an alleged infringer, it is necessary to prove the existence of two requirements, referred to in Italian practice by their Latin names: *periculum in mora* and *fumus boni iuris*.

The first requirement (*periculum in mora*) requires the plaintiff to demonstrate the existence of at least a serious, urgent and irreparable risk to its business arising from the conduct of the other party, which is generally recognised in cases where the alleged infringement of its rights is ongoing.

The second requirement (*fumus boni iuris*) requires the plaintiff to demonstrate the existence and ownership of the rights asserted in the action (eg, trade secrets) as well as the fact that they have been infringed by the conduct of the other party.

If the court finds that both of these requirements – serious prejudice to the plaintiff resulting from the conduct of the other party and the plaintiff's ownership of the trade secret rights – exist, it will order an injunction against the unlawful conduct of the other party.

The requirement of *periculum in mora* is not necessary in proceedings on the merits, and it is therefore sufficient to demonstrate ownership of the rights claimed and the infringement thereof by the defendant to obtain the injunction.

Damages

What rules and criteria govern the award and calculation of damages for trade-secret misappropriation?

To obtain compensation for damages, it is necessary to demonstrate that the claimant has indeed suffered harm, which may consist either in direct damage to the patrimonial sphere of the right holder or in the loss of earnings that would have been obtained by the right holder if the other party had behaved lawfully.

In particular, article 125 of the Intellectual Property Code provides that in intellectual property matters, the general principles on compensation for damages and loss of profits (articles 1223, 1226 and 1227 of the Civil Code) apply, including the possible quantification of the same on an equitable basis if a specific amount cannot be proven.

The court is entitled to quantify the damages in a total amount that is calculated considering statements and evidence filed by the parties, as well as the assumptions that arise therefrom. In any event, any loss of profit awarded by the court must not be lower than the royalties that the infringer would have paid, if they had obtained a licence from the IP right owner.

In any case, the owner of the rights may request the disgorgement of the profits earned by the infringer with its own conduct, as an alternative to compensation for loss of profit or in the amount that they exceed such compensation.

Other civil remedies

Are any other civil remedies available for wilful trade-secret misappropriation?

Other than judicial remedies and alternative remedies, there are no particular civil remedies for trade-secret misappropriation. However, this is without prejudice to the possibility for the parties to enter into an out of court settlement agreement to amicably settle the issue.

Criminal remedies

What criminal remedies are available for trade-secret misappropriation? Under what circumstances will they be awarded, and what procedural issues should be considered when seeking them?

The Italian Criminal Code article 623 provides imprisonment of up to two years as punishment for the unlawful acquisition, use and disclosure of trade secrets. It also clarifies that criminal law protects the same information falling into the definition of trade secrets provided by the Industrial Property Code.

Therefore, criminal and civil relief can be sought contemporaneously, even if the acquisition, use and disclosure of trade secrets amount to a crime only when such acts were intentional (while civil liability also exists in cases of negligence).

Criminal law also sets an increased punishment for crimes committed using 'computerised means'. The Italian legislator's goal (outlined in the preparatory works to the law in 2017 implementing the EU Directive) was to be particularly strict against cyber theft, but this change will probably result in a general increase of punishments as the acquisition, use and disclosure of trade secrets nearly always involve the use of IT tools nowadays.

Although criminal proceedings (which can only be brought against natural persons) may increase the defendant's fear of the related consequences, they are not widely implemented in the field of intellectual property because they are less effective in enforcing the related rights, especially with regard to obtaining damages, and are less expeditious, especially when compared to interim civil proceedings.

Administrative remedies

What administrative remedies are available for trade-secret misappropriation? Under what circumstances will they be awarded, and what procedural issues should be considered when seeking them?

There are no administrative remedies available for trade-secret misappropriation.

UPDATE AND TRENDS

Key developments and future prospects

What were the key judicial, legislative, regulatory and policy developments of the past year in relation to the protection and enforcement of trade secrets? What are the prospects for future developments?

The last regulatory amendment introduced in Italy in relation to the protection and enforcement of trade secrets dates back to 2018, with Legislative Decree No. 63, implementing European Directive No. 943 of 2016, which did not, however, bring significant changes to the relevant protection rules.

Cases of misappropriation of trade secrets are increasingly frequent, and decisions by the courts on the matter are similarly on the rise. The case law in this area has been primarily aimed at evaluating the requirements for the existence of trade secrets and subsequently at verifying any unlawful misappropriation thereof.

There has also been an increase in the number of court decisions punishing the conduct of a party who has unlawfully misappropriated information that, although not meeting the requirements for the existence of trade secrets under

article 98 of the Industrial Property Code (for example, because it is not protected by adequate protection measures), is protectable under the laws on unfair competition (see decision No. 18772 of the Supreme Civil Court, 19 July 2021).

In general, companies are becoming increasingly sensitive to the protection of their knowledge and information (ie, their know-how) by (internally) drawing up company regulations governing the behaviour of employees and (externally) signing confidentiality agreements with their business partners.

Currently, no new legislative and regulatory developments are planned at the national level on the subject of trade secrets; nevertheless, it is possible that in the future the Italian legislator, in accordance with the content of the European Directive mentioned above (articles 3, 4 and 5), may introduce a clear and exhaustive list of lawful and unlawful conducts to consider in cases of trade secret appropriation.

Jurisdictions

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