Kluwer Patent Blog

The Italian Supreme Court on prior use

Daniela Ampollini (Trevisan & Cuonzo) · Tuesday, May 15th, 2012

By decision of 5 April 2012, no. 5497, the Italian Supreme Court resolved an interesting case concerning the application of Article 68 (3) Italian IP Code, according to which "Whoever, in the course of 12 months preceding the filing date of the patent application or its priority date, has made use of the invention in its business, may continue making use of the same within the limits of the pior use". The case concerned the infringement by Fidia Farmaceutici S.p.A. of two patents held by Chemi S.p.a.: one, filed on 28 April 1999 and claiming a process for the preparation of phosphatidylserine (Ps); the other, filed on 5 December 2001 and claiming a process for the purification of the same active substance. In the first instance, the patents were found valid and infringed. However, it was also found that, prior to the filing of the first of the two patents, Fidia had already made use of both processes (preparation of Ps and its purification) within its production plant, use which had continued after the filing of the patents. As regards the application of Article 68 (3), Fidia in particular argued that the "limits of prior use" had to coincide with Kg. 7,008.80 kg of "purified" Ps that it had produced in the 12 months preceding 5 December 2001, i.e. the filing date of the second patent, being an amount higher than that produced in the 12 months prior to the filing of the first patent. The Court of first instance accepted this reasoning and said amount per year was "taken out" from the calculation of the damages awarded concerning the continued production carried out by Fidia for the period after the filing of the patents. The Court of Appeal partially reversed the decision of first instance concluding that, if after the filing of the first patent, based on prior use, the production by Fidia of a certain quantity of Ps was to be considered lawful, "the filing of the second patent (which only concerned a purification process of the same substance) could not possibly broaden the scope of the lawful production of the same substance". The "limits of prior use" coincided therefore with the annual quantity of Ps that Fidia had produced and purified in the 12 months preceding the filing of the first patent, i.e. Kg. 2,344.98 per year. The Supreme Court confirmed the decision of the Court of Appeal, by stating that the limit set forth by Article 68 (3) IP Code, besides being a "quantitative" limit, also has a "qualitative" character, in the sense that it "serves to identify the business behaviour which determines the limit of the monopoly granted to the patent holder in respect of the prior user". Therefore, as the prior use of both teachings resolved itself in one single business behaviour by Fidia, within which it was impossible to attribute an autonomous economic value to the purification process (claimed by the second patent), said prior use could only protect Fidia in respect of the first patent. This reasoning is not convincing and the language used by both the Court of Appeal and the Supreme Court is misleading. in substance, however, the outcome may not be the wrong one: in principle, Fidia had the right to claim prior use in respect of both patents, including the second one; however, as the product manufactured by Fidia and infringing the two patents had always been the same (always simultaneously using both the preparation and the purification processes), as regards the

production carried out in the 12 months preceding the second patent application, even if Fidia could have in principle claimed prior use in respect thereof, Fidia was at the same time infringing the first patent. In this situation, as to the quantification of the damages to be awarded, taking out from the overall calculation a yearly quantity of Ps coinciding with that produced in the 12 months preceding the first patent application would seem to be the correct approach.

To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please subscribe here.

This entry was posted on Tuesday, May 15th, 2012 at 12:27 pm and is filed under (Indirect) infringement, Damages, Italy, Prior use right
You can follow any responses to this entry through the Comments (RSS) feed. Both comments and pings are currently closed.