

Kluwer Patent Blog

Decision expected in Italy on participation in Unitary Patent and Unified Patent Court

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In a surprise move, the Italian Ministry of Economic Development made a formal call last week on stakeholders to share their view as to what Italy should do with the Unified Patent Court (UPC) and Unitary Patent (UP) system. Italy is the only European country which has signed the UPC Agreement, but has stayed out of the enhanced cooperation within the EU leading to creation of the UP. The Ministry wanted to know what the most favourable option is for stakeholders, including employers' associations, patent attorneys and universities: 1) Italy to join the enhanced cooperation and to ratify the UPC Treaty; 2) Italy to remain adverse to the Unitary Patent, but to ratify the UPC Treaty; or 3) Italy not to take part in the Unitary Patent nor the UPC Treaty.



Moreover, it wanted a reaction on 20 February 2015 at the latest, in other words within a few days. Kluwer IP Law discussed the developments with Michele di Sciuva, partner of [Studio Torta](#), patent and trademark Attorneys and Lawyers in Italy and Europe.

What's going on in Italy? Why does the Ministry want this information and why now?

Even though I don't know the agenda behind this, I think that a link can be easily found between this initiative and a declaration of Minister Federica Guidi during question time in the Italian Chamber of Deputies on 18 February.

Parliamentarians asked the Minister if she supported Italian adherence to the enhanced cooperation on the Unitary Patent and an amendment to the EU Regulations establishing the UP with the aim of having all UPs published only in English.

In response, the Minister declared that the Italian participation in the Unitary Patent Package is a priority for the Italian Government and that the subsequent economical effects are being assessed. Probably they requested for a quick reaction in order to take these into account when assessing the economical effects and deciding on the Italian position.

Is the in-between position of Italy problematic? If so, in what sense?



Michele di Sciuva

That is hard to say. For the moment, Italy has signed the UPC Agreement, but has neither ratified the Agreement nor taken part in the enhanced cooperation on the UP.

Let's suppose that the Italian position remains as it is now when the new system enters into force. On the one hand, Unitary Patents will not be valid in Italy and, therefore, cannot be infringed in Italy. On the other hand, there will be no division of the UPC in Italy. If Italy ratifies the Agreement and takes part in the enhanced cooperation, the protection of the UP will also cover Italy and a Local Division based in Italy will be in the position of hearing direct actions for infringement occurred in Italy and counter-claim for revocation based both on Unitary Patents and non-opted out European Patents.

If Italy ratifies the Agreement and does not take part in the enhanced cooperation, protection in Italy would be gained only by validating European Patents in Italy. The hypothetical Local Division of the UPC in Italy would be competent:

- for Unitary Patents owned by Italian patent proprietors, for infringement cases only when the jurisdiction is based on the criteria of the defendant's domicile, as well as for revocation counter-claims; and
- for European non-opted out patents, for infringement cases and for revocation counter-claims.

The Italian national Court will instead deal with cases of infringement in Italy and cases of revocation for Italy only for the Italian validations of opted out European patents, during the transitional period.

What do you think should happen?

The three possible scenarios have different consequences for our various clients. However, I believe that, whatever the decision of the Italian Government, the role of patent issues in the European and Italian business sector is likely to increase strongly, as the whole Unitary Patent package is in favour of patent proprietors. In order to face the proliferation of foreign patents valid in Italy and to reduce the risk of being sued abroad to discuss a UP, Italian enterprises will probably have to invest more money in protecting the results of their research activities and carefully watch patents filed by their competitors.

Was Studio Torta asked for its view on the UPC system as well?

No. The call of the Ministry of Economic Development was however addressed to the 'Collegio Italiano dei Consulenti in Proprietà Industriale' (a member of the FICPI), which includes Italian patent attorneys. The Collegio is against both the ratification of the UPC Agreement and participation in the enhanced cooperation, although this is the opinion of a majority of the Council, not necessarily all members.

What is the general feeling towards the UPC system in Italy?

Italian stakeholders have very different views and have put forward very diverse arguments to support or reject the system.

Those who are in favour argue there will be broader IP protection at a lower cost and they support the idea of a harmonized judiciary system. Furthermore, they are concerned foreign investments will decline due to the lack of consistent IP protection in Italy. It was this concern that led to the

parliamentary questions last week.

Those who are against UPC say the system is unbalanced and too much in favour of the patent proprietor. And a main concern is that the costs, including fees, of legal proceedings before the UPC will be so high that Italian SMEs will hardly be able to use the system.

Moreover, revocation actions will be handled by the Central Division of the UPC located in London, Munich or Paris. Accordingly, in order to free the Italian market from a presumably non-valid patent, Italian enterprises will be required to litigate before a foreign court in a foreign language, which is complex and costly, instead of going to a national court.

As to the UP, the opponents argue that it is valid in Italy without any translation in Italian (even though possibly with a full text in German or in French). As a result, the burden of translation is shifted from patent owners based outside Italy to Italian enterprises, thus potentially strengthening the position of foreign competitors.

After last week's consultation, do you expect any quick decision in Italy on the UPC system?

The latest update is that on 24 February, the Italian deputy Minister of Economic Development has been heard in a Commission of the Chamber of Deputies on the possible Italian ratification of the UPC Agreement and participation in the UP system.

Even if it cannot be foreseen whether or not the Ministry of Economic Development will take further steps any time soon, it seems that a decision is on the way.

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