
Contributory infringement in Italy: what's new?

Contributory infringement - definition

[Law No. 214 of 3 November 2016](#) amended [Article 66 of the Italian Industrial Property Code](#) (hereinafter the IPC) to provide, for the first time, a statutory framework for the regulation of acts that contribute to the infringement of a patent (sometimes, but not always, referred to as *contributory infringement* or *indirect infringement*). Before Law 214/2016, the legal framework in this area had been defined by case law and legal doctrine, as set out below.

Broadly speaking, under Italian law, there is contributory infringement when some of the 'steps' identified in a patent claim (obviously not all the steps as, in most cases, this would amount to direct infringement) are carried out by a subject, in a lawful manner, but said steps are unequivocally intended to implement the teaching covered by the patent. Indeed, to have liability for contributory infringement, the subject that implements these steps must be aware that the final destination of said steps is capable of reproducing the subject matter of the claim.

Contributory infringement in legal doctrine and jurisprudence

The starting point for better understanding the scope of the revised text of Art. 66 IPC is the various definitions provided in legal doctrine, then moving to the interpretations set forth in the more prominent case law decisions, which are fairly recent.

Doctrine

To summarise the position of Italian legal doctrine in the years preceding the reform, we find the following, interesting opinions and guidance:

"The so-called supply to the third party infringer (either indirect infringement or contributory infringement) of components (mechanical or chemical) that are not patented but are essential to the realisation of the patented finished product (machine or compound) constitutes infringement only if the supplier is aware that the individual parts are uniquely intended to infringe the patent" (Prof. Ubertazzi, *Commentario breve alle leggi su proprietà intellettuale e concorrenza*, Milan, 2016, 339);

"Unlawful is considered to be the supply to the infringer of parts or components which are not patented per se but are essential for the manufacture of the product, provided that the supplier is aware that the elements in question will become part of the patented product. This is generally referred to as indirect or, frequently, contributory infringement" (Vanzetti, *Industrial Property Code*, Milan, 2013, 834);

"Doctrine and jurisprudence have outlined the case of so-called contributory infringement or indirect infringement, in order to strike at conduct that is lawful in itself (such as, for example, the supply of products or instruments not covered by a patent), which is nevertheless tinged with illegality by virtue of the author's awareness that it is intended to be used to carry out a prohibited act (that is, for

example, the use of what is supplied in the context of a patented process) or, in any event, of the objective and unequivocal purpose of the means supplied for the implementation of the patent" (C. Galli, Commented Code of Industrial and Intellectual Property, Turin, 2010, 652).

As one can see, the subjective awareness of the intended infringing future use of the non-infringing components or elements supplied has been a focal point of the analysis.

Case law before the modifications to Article 66 IPC

In jurisprudence, the leading case was, for many years, the Supreme Court of Cassation, decision dated 12 June 1996, no. 5406 (*Sidermes*), which provided that: *"whoever places on the market products or instruments suitable to be used to carry out a method patented by others, but which are also susceptible to uses that are objectively not in conflict with the scope of patent protection, does not contribute to the infringement possibly committed by the purchasers of such products or instruments if it is not demonstrated that they are aware of the unlawful use by the purchasers themselves."*

After this leading case, many others followed its reasoning, including the Court of Turin decision dated 15 June 2012, which was the first to clearly differentiate between a contribution to infringement and indirect infringement, stating that the former exists when the actor is aware of the final destination of the components, but without an intention as to the ultimate use of the components, while the latter exists when the components are unequivocally intended to reproduce the teachings of the asserted patent claim.

The new Art. 66 IPC

Art. 66 IPC was amended by [Law No. 214 of 3 November 2016, with the addition of paragraphs 2-bis, 2-ter and 2-quarter](#):

"2-bis. The patent also confers on its proprietor the exclusive right to prohibit third parties, except with their consent, from supplying or offering to supply to third parties other than those entitled to use the patented invention, means relating to an indispensable element of that invention and necessary for its implementation within the territory of a State in which it is protected, if the third party has knowledge of the suitability and purpose of those means for implementing the invention or is able to obtain such knowledge with ordinary diligence.

2-ter. Para. 2-bis does not apply when the means consist of products that are commonly found on the market, unless the third party induces the person to whom they are supplied to perform the acts prohibited under para. 2.

2-quarter. For the purposes of paragraph 2-bis, persons performing the acts referred to in Article 68(1) shall not be considered to be those entitled to use the invention."

Naturally, the purpose of the new portions of Art. 66 is specifically to regulate contributory infringement.

The objective, subjective and 'territorial' elements set forth in the text of the law are of particular importance in Article 66 IPC. To find that contributory infringement has occurred, a Court must determine that all three elements are present.

Huawei vs 3GL – Court of Milan – Decision no. 8577/2023 (issued on 9 March 2023 and published on 3 November 2023)

The presentation provided above aims to offer a complete and clear framework, particularly considering the complex history of the interpretation and understanding of the concepts of contributory infringement and indirect infringement, leading up to the codification of contributory infringement in Italian law in 2016.

In a recent case, involving a the owner of a standard essential patent (“SEP”) (owned by 3G Licensing S.A., a company belonging to the SISVEL Group) and a phone producer (Huawei Technologies Italia Srl, Italian branch of Huawei Ltd), the patentee claimed infringement, arguing that Huawei was infringing the technology protected by the SEP through the sale of phones on the Italian market.

This is not a case of direct infringement, but of contributory infringement, in view of the fact that Huawei produces mobile phones, which are - in theory - able to implement the claimed SEP technology.

During the action, the Court of Milan ordered a technical expertise phase and appointed three experts to evaluate the issue of infringement. After having considered all of the parties’ arguments and evidence, the panel of Court Experts found that Huawei’s act of providing smartphones that were able, in principle, to implement the SEP, constituted a case of contributory infringement.

More in detail, the panel of three experts concluded that, that *"since the EP'542 patent is a Standard Essential Patent [...] and the third party could not have been unaware that the phone was capable of implementing the technology claimed therein, the sale of the phone in Italy constitutes contributory infringement of EP'542"*.

However, in a rare divergence from the conclusions of the Court Experts, the Court, viewing the contested acts within the context of the history of the legal framework surrounding contributory infringement in Italy, found that Huawei’s acts did not constitute contributory infringement under the new text of Art. 66 IPC, due to the fact that the patent owner failed to demonstrate Huawei’s subjective awareness of the capability and purpose of its phones to implement the SEP technology. Indeed, the Court highlighted the importance of the subjective element set forth in Art. 66 IPC, clarifying that it represents a condition precedent – which is separate, and of equal importance to the objective element – for a finding of contributory infringement.

In this regard, the Court’s reasoning about the subjective element is fundamental:

“ .. b) the subjective element, consisting in an awareness not only of the suitability but also of the concrete purpose of those means for implementing the invention, or the possibility of acquiring it using ordinary diligence.

The existence of the subjective element, which is necessary for the configuration of the tort, cannot, however, be automatically inferred from the existence of the concurrent objective element. On the contrary, the ascertainment of awareness must be made in practice, on the basis of factual data capable of proving the supplier's knowledge of the use of what was supplied in the context of a patented process or, in any event, of the objective and unequivocal destination of the means supplied for the implementation of the patent.

The third party's awareness of the suitability of the means provided to implement the patented invention therefore does not necessarily imply an awareness of the concrete purpose of said means to implement the invention, which must instead be independently investigated on the basis of the specific factual circumstances and the procedural findings “.

Ultimately, the Court was not satisfied by the sterile approach of the panel of Court Experts, instead embracing a theoretical evaluation of the subjective element: agreeing with Huawei's position, it decided to verify the practical existence of the subjective element, namely whether **Huawei was aware that the product supplied was actually intended to implement the invention.**

The Court found that such awareness was not proven in the present case.

The Court states that this conclusion derives directly from the formulation of Art. 66 IPC, paragraph 2-bis: *"It has been said that, on the subjective side, the discipline dictated by Art. 66 para. 2-bis of the IPC requires that the third party supplier be aware, or be able to become aware using ordinary diligence, not only of the suitability but also of the intended purpose of the means supplied for the implementation of the patent.*

The terms 'suitability' and 'destination' do not form a hendiadys, but refer to concepts, autonomous and distinct, which must concur in the commission of the offence.

Thus, setting those principles in the context examined here, it is not sufficient that the manufacturer of a mobile telephone be aware that its device, when used with a particular card, is capable of implementing the invention claimed by another's patent, but it is necessary that it also be aware that the device is actually intended to implement the invention or that it could acquire that knowledge on the basis of the diligence normally required of a person of their qualifications. In the present case, this second aspect does indeed seem to be missing."

Indeed, the historical importance of this ruling can be found in the distinction between "suitability" and "destination": both elements have to be singularly verified to conclude that contributory infringement has occurred.