

As the court confirmed, although their roles differ, unless objectively justified, the different categories of rightholders should not be treated differently. Indeed, within the broadcasting ecosystem, all such roles play a fundamental part and, in many respects, have a symbiotic relationship with each other. Consequently, it is pointless to produce a broadcast which is not broadcast (by virtue of the technical performance of a broadcasting organisation), and similarly, without the organisational and economic performance of producers, a broadcasting organisation would have little to broadcast. Therefore, although these roles can overlap, to grant rights to one and not to the other would lead to a disincentive to undertake certain vital roles.

As such, the ruling has sound commercial as well as legal justifications. Indeed, in a perverse way, it confirms the observations of the Italian government, albeit not for the same reasons. Simply put, broadcasting organisations do play a fundamental part in the creativity and indeed, financing of broadcasts. Therefore, to deny equal treatment to those whose technical performance enables creative content to be broadcast would have a negative and disincentivising effect on the creative and financial input of others.

## Italian Supreme Court on Claim Limitation: How Many Times Can You Try and Can the Judge Prevent You from Trying More?

*Biolitec Italia S.r.l. v Eufoton S.r.l. and Alma Lasers Italia S.r.l., Supreme Court, judgment issued on December 11, 2023*

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☞ Amendments; Infringement; Italy; Patent claims; Validity

### Abstract:

*In this judgment the Italian Supreme Court gives guidance on the particularly discussed issue of claim limitation requests filed during the court litigation by the patent holder. The applicable provision gives no time limits for filing such requests nor limits the number of times the*

*patent holder can file further claim limitation request after the previous were held inadmissible or were considered invalid. This could lead to sometimes significant delays and for years the lower courts tried to prevent this by developing arguments to justify the refusal of claim limitation requests in certain circumstances. The judgment of the Supreme Court explains in which cases such requests can be rejected without violating the defence rights of the patent owner and the principle of the fair trial.*

### Facts of the case

In this case the plaintiff was a licensee of the Italian portion of the European patent owned by the Malaysian company belonging to the same group of companies. The enforced patent concerned a medical device for the cure of venous diseases. The plaintiff sued two Italian companies that offered products infringing such patent before the Court of Milan.

The action was not very successful: the preliminary injunction request was rejected as the licensee did not provide sufficient evidence of its rights to enforce the patent and in the case on the merits (where the licensee acted together with the parent company being the patent owner) the patent was considered partially invalid by the Court Appointed Expert and not infringed.

The plaintiff then filed a formal request to limit the patent pursuant to the specific provision of the Italian IP Code (art.79.3) and the judge ordered the Expert to examine the limited patent and assess whether it was valid and infringed. The outcome of such technical assessment was once again negative for the plaintiff, as the limited patent was still considered invalid.

The final hearing was set and the patent owner, only four days before that date filed a new limitation request. This request was discussed during the final hearing (held via v-call during Covid-19 pandemic) the judge considered the case ready to be decided. The Court of Milan rejected the request of the plaintiff and confirmed that the enforced patent was partially invalid and for the remaining part it was not infringed. The Court considered that the second limitation request was not admissible as it was filed too late.

The plaintiffs appealed this judgment, but the Court of Appeal rejected the appeal. The reasons of such decision with reference to the limitation request were as follows: (i) the second limitation request was filed too late; (ii) the party enforcing a patent must respect the principle of reasonable duration of the case and abstain from making bad faith submissions; (iii) the art.79.3 IPC refers to a right to file 'a' limitation request and not multiple limitation requests; (iv) the patent owner repeated claim limitation request also in appeal but without adding any further arguments which confirms that such a request was abusive.

The patent owner and his licensee appealed the case further before the Supreme Court claiming violation or false application of the art.79.3 CPI concerning the right

to file claim limitations within invalidity court case. This provision says what follows: *'In an invalidity case the owner of the patent has right to ask the judge, at any stage and in any instance of the case, for claim limitation that remains within the content of the application as originally filed and that does not extend the scope of protection of the patent as granted'*. The application of this provision was quite controversial after it was introduced. Before, the voluntary claim limitation within the pending case were formally not possible and such requests could have only been filed before the Italian Patent Office (IPO), except for the situation in which the invalidity court case was pending (in such case the limitation could have been filed once the court case finished). The Supreme Court reversed the decision of the lower judges in this case and gave interesting guidance in the form of principles that should be followed by the lower courts when applying this provision.

### The reasoning of the Supreme Court

The Supreme Court analyses the provision on claim limitation during the court litigation on invalidity of the patent and formulates three principles according to which and in the light of which this provision will have to be read from now on. The first principle responds to the question: until when can I file the request for claim limitation? The second principle responds to the following question: can my request be rejected due to necessity to conduct civil court case in reasonable time? The third and the last principle responds to the following question: is filing of more than one request for claim limitation an abuse of process? Each of these responses is examined here below.

#### *First question: which is the last moment to file claim limitation request?*

The Supreme Court starts with a thorough analysis of the purpose and application requirements of this provision. The right to voluntarily limit patent claims during a pending court case completely changed the options the patent owner had before the entry into force of such provision (in 2010): since then, the limitation can be requested both before the IPO and before the civil court. The IPO can receive and evaluate claim limitation requests also when the invalidity case is pending before the judge while in a court case such claim should be brought if it is an invalidity case.

This provision was introduced to harmonise the Italian patent law with the letter of the art.138.3 EPC. What is important for the judges of the Supreme Court, is that the art.79.3 IPC confers a patent owner a right to file a claim limitation request and the judge does not have any discretion in accepting or rejecting it, as long as the requirements indicated in this provision are fulfilled. Furthermore, it does not limit the right of the patent owner as to how many times the claim limitation can be

requested; rather being it a right of the patent owner, he/she should be entitled to request claim limitation every time he/she deems it necessary or useful.

According to the Supreme Court, therefore, this provision is twofold: on one hand it is a procedural activity as it must fulfil the requirements in order to be admissible and such admissibility is evaluated by the judge, and on the other hand it has important substantial effects. In fact, it determines the change or, more specifically, the reduction of the scope of the pending case with the consequences both for the patent owner (the limitation can avoid invalidity declaration and may reduce chances of success for the infringement claims) and the defendant (who may have to search for further prior art but could eventually avoid declaration of infringement).

Therefore, the expression used in this provision concerning the fact that claim limitation request can be filed *at any stage and in any instance of the case* should be read as the right of the patent owner to file such a request until the very final stage, namely within the last hearing during which the parties confirm their final requests and at which the judge declares that the case is ready to be decided. The Supreme Court indicates that the same rule applies, for instance, in case of the patent owner's request to convert the patent into a utility model.

Since in the case at issue the second claim limitation request was filed four days before the final hearing, the Supreme Court confirmed that it was not too late at all and that the decision on the lower courts based on such arguments was wrong.

With the reference to this point, the Supreme Court indicates the first principle to be followed in future cases concerning this provision: *'In litigations on the validity of the patent, the owner of the intellectual property right can file claim limitation request pursuant to the art.79.3 of the Decree no.30 of 2005, at any stage and in any instance of the case but, except for the cases of restitution in integrum, in the first instance such a request can be filed until the judge declares the case is ready to be decided after the parties confirmed their final requests'*. With this principle, it is now clear that the claim limitation request can always be filed before such final hearing and even during such hearing, until it is closed.

Interestingly, the Supreme Court specified that this rule applies to claim limitation requests filed in the first instance proceedings. Since the art.79.3 IPC expressly states that claim limitation request can be filed at any instance, the wording of the above quoted principle may lead to further debate and case law: does the same rule apply to the appeal case or does it not? As we will see with reference to the third principle below, the filing of the request to limit claims can be done in appeal, but is it also possible to do it in the final stage of the appeal case? The answer should reasonably be 'yes' but it may be necessary for the Supreme Court to evaluate this issue more thoroughly, as in appeal there are far more limitations than in the first instance case to file requests and make new arguments. Moreover, the question

remaining still unanswered is if it possible to file claim limitation request in the case pending before the Supreme Court?

***The second question: can filing of claim limitation requests be contrary to the principle of reasonable time of proceedings?***

The Supreme Court considered necessary to clarify the relationship between the right of the patent holder to limit the claims of the patent and the necessity for the system of justice to proceed in a reasonably speedy way.

Before delving into the reasoning of the Court on this issue, it is necessary to point out that the former objective (which in the case law is called ‘principle of reasonable time of proceedings’ or so called ‘procedural economy’) became very important in Italy (what may appear curious to several readers of this comment) especially in the last years. In fact, the latest reforms of the civil justice system are mostly aiming to shorten the duration of the civil litigation. The results are yet to be seen, but in certain areas the positive results are already visible: the waiting time for the rulings of the Supreme Court at least in intellectual property cases was slightly reduced and most of the times, the IP case is decided within about one year (while before one could wait up to five or six years to obtain a judgment from the Supreme Court). The judgment here at issue is a good example: the appeal was filed before the Supreme Court by the patent owner and the patent licensee in 2022 and this judgment was issued in December 2023.

Coming back to the Supreme Court’s reasoning, the judges highlight that the application of the principle of reasonable time of proceedings should be made according to the constitutional rights that are guaranteed and that should be preserved in any case. The art.111.2 of the Italian constitution guarantees a right to so called ‘fair trial’ which consists in the right to adversarial proceedings where the parties are considered equal and where the decision is made by an impartial judge within a reasonable time. Therefore, the reasonable time is only one of the elements of the right to a fair trial. The Supreme Court acknowledges that the principle of reasonable time of proceedings is important and that it should be applied to avoid ‘a useless burdening of the case’. In fact, the Court lists a few examples in which following such a principle lead to improve the system by reducing the duration of the case. For instance, it is the case of judgment appealed before the Supreme Court in which the Court of Appeal wrongly omitted to rule on one of the counts: in such case the Supreme Court can replace the judges of the Court of Appeal and rule on such count instead of sending the case back to the lower court only for such reason (obviously the ruling has to be limited to the issues of law).

However, this principle of reasonable time of proceedings cannot prevail on other elements of the fair trial, such as the right to defend one’s rights. In fact, the patent owner has right to limit patent claims, and such

right cannot be denied just because the case should be decided in a reasonable time. Denying claims limitation would amount to denial of the right of defence for the patent holder. Furthermore, the Supreme Court highlights that the judge has no discretionary power to reject the claim limitation request unless it is contrary to the requirements of the art.79.3 IPC. Interestingly, the Supreme Court judges write that claim limitation request should not be denied ‘even if this will make the case last longer’.

The only situation in which a request of claim limitation that fulfils the requirement of the art.79.3 IPC can be refused by the judge is in a situation where it was filed in bad faith. That is to say, in situations where it is evident and clear that the request was filed not for the purpose of having such requested granted, but for a different purpose (such as, for example, delaying the case).

In the case at issue the Supreme Court proceeds therefore to check if the claim limitation request was made abusively. The lower court held that the patent holder limited the claims the first time after the Court Expert confirmed that the patent was partially invalid. That first limitation led to a reopening of the technical analysis phase at the end of which the Court Expert confirmed that even the limited patent would be partially invalid. According to the Supreme Court this is not a pertinent reasoning in order to assess if the request was made in bad faith. The pertinent reasoning would be, for instance, the analysis of the contents of the second request to limit the claims of the patent: if such a request was substantially identical to the first request or incomprehensible, that would confirm it was merely filed to delay the case. The lower judges did not evaluate the contents of the second claim limitation request and therefore have not assessed if it was an abuse of process or not. For this reason, the Court of Appeal of Milan could not reject such request in this case.

Based on this reasoning, the Supreme Court indicates the second principle applicable to the further cases: ‘*In litigations on the validity of the patent, the right of the patent owner to file claim limitation request pursuant to the art.79.3 of the Decree no. 30 of 2005, is not subject to discretionary powers of the judge who can only evaluate if the requirements of such provision are fulfilled and therefore it cannot be rejected based on the reasonable time of proceedings unless it was made in bad faith, being an abuse of process aiming for different and further goals and causing the useless delay of the proceedings, assessment that is based on elements that clearly and unambiguously show the merely false and artificial nature of such request.*’. By this long phrase the Supreme Court substantially says that: (i) if the claim limitation request fulfils the requirements of the art.79.3 IPC it cannot be rejected simply because it would delay the case and (ii) it can only be rejected if the true purpose of this request is abusive, aiming also to obtain other goals and delaying the case but (iii) the abuse must be assessed based on clear and straightforward evidence.

***The third question: can a filing of a further claim limitation request be contrary to the principle of the good faith of the parties within the litigation?***

The Supreme Court judges comment also on the decision of the lower court according to which insisting in appeal on the second claim limitation request without any new reasoning to support it shows the abusive nature of such request. The judgment at issue also interestingly quotes the following phrase contained in the appealed decision of the lower court: *‘This leads to agree with the statement according to which a case on the merits in the patent matters should, at least in theory, serve to assess the validity of the intellectual property right rather than to effectively create such right’*. The Supreme Court does not comment specifically on this phrase, but it should be underlined how wrong this phrase is: the limitation of claims is not the ‘creation’ of a patent right, but simply a reduction of the scope of protection of the already existing patent right. Besides, patent litigation is precisely a place where the validity issue is discussed, which can lead to declaration of invalidity (the patent right has never existed) or partial invalidity (the patent right has never existed in its larger scope of protection as previously claimed) and, therefore, contributes to shaping of the contents of the patent right.

The Supreme Court overrules the reasoning of the lower judges also with reference to this point. According to the judgment at issue, the art.79.3 IPC does not require the patent owner to provide any reasoning to support the claim limitation request. Besides, the mere fact that the patent holder files a second limitation request after the first limitation was considered invalid in the light of the prior art cannot be considered abusive. In such situation the patent holder is legitimate to defend his patent and use his right to file (further) claim limitations. Therefore, the appellant had all the reasons and the right to file his second claim limitation request rejected by the first instance judges also before the Court of Appeal.

With reference to this question the Supreme Court concludes with the following principle: *‘In litigations on the validity of the patent, the right of the patent owner to file claim limitation request pursuant to the art.79.3 of the Decree no.30 of 2005, is granted in order to allow the patent owner to preserve his exclusive right, even if limited, by allowing him to indicate those revisions of the claims that need to be made, therefore the filing of the request in the appeal case, once the patent has already been found partially invalid by the first instance judge, is not the prohibited use of such right, but rather the use that is fully corresponding to the reasons for which such right was introduced’*. In other words, if the patent holder files further claim limitation request after the previous was held invalid in the light of the prior art, there is no abuse of process nor bad faith, as this is a fully legal exercise of the patent holder’s rights.

## Comment

This judgment is very interesting as it does answer several questions often posed in patent litigation in Italy including the request to limit patent claims pursuant to the art.79.3 IPC.

It is obvious that such a request is never filed by the patent owner during the first stage of the case, but only after the assessment of patent’s invalidity was made. It is also clear that filing such a request obliges the judge to appoint a Court Expert to examine if the proposed limitation fulfils the requirements of the above indicated provision (does not exceed the content of the application as filed and remains within the scope of protection of the granted patent) and if the patent with the limited claims would be valid and infringed. Therefore, the request to limit the claims often gave rise to several objections by the other party, with reference to the reasonable time of the proceedings and abuse of defence powers by the patent holder. It is in fact not impossible to imagine that in a litigation where the patent was assessed invalid by the Court Expert, the same patent is subject to several consecutive requests to limit its claims: each time the Expert says that the limitation examined is also invalid, the patent holder files another limitation request, again and again. The principle of reasonable time of proceedings and the abuse of process defence were so far quite good and strong arguments for the party interested in patent’s invalidity.

After this judgment of the Supreme Court, it is not the case anymore.

What the judges of the Supreme Court said is that the right to defend one’s patent prevails on the necessity to conduct a reasonably speedy case. Therefore, it is not possible to reject the request of patent limitation based on this reason. This is an important conclusion: the fair trial is better than a speedy trial, even though being speedy is one of the elements of the fair trial. In other words: reasonable time of the proceedings is a principle which does not prevail when a defence right of the parties are at stake. Such conclusion is worth considering also with reference to the UPC system, where one of the announced objectives of this new jurisdiction is to terminate the case within one year, similar to what happens with the infringement cases in Germany. Certainly, obtaining a Court decision in timely manner is very important and the justice system should work in a way to avoid unnecessary delays, but it should not be a principal or prevailing goal as the court case is made for the parties to have their rights analysed and decided in a fair manner.

After this judgment it will also be much harder to raise abuse of process defence for the party interested in the assessment of the patent’s invalidity. Prior to this ruling the lower court judges might have followed the reasoning that making late request for claim limitation or making several such requests one after another were an abuse. This was generally based on the following arguments: the patent holder could have filed his request of claim limitation immediately after the assessment of the

invalidity of the patent became known in the case and not only shortly before the final hearing; the patent holder will never stop filing new claim limitation requests in order to drag the case forever, etc. Now such arguments will not work or at least will not be enough.

The abuse must be thoroughly proved by the interested party with reference to the specific circumstances of the case and preferably with reference to the contents of the proposed claim limitation. The Supreme Court indicates a few examples of situations in which a further claim limitation request could be considered abusive: the patent holder files the same claim limitation as the one already filed or an incomprehensible one. In the first case it is quite clear that the judge would understand the purpose of the filing of the identical request for the second time and should be free to reject it. However, in case of the second example the evaluation becomes more complex for the judge: generally, the Italian judge does not evaluate the contents of the requested limitation (at least not in order to assess whether it is compliant with the art.79.3 CPI requirements) and appoints a Court Expert to do that. Once the Court Expert is appointed, the case will already be delayed for this purpose. Therefore, the party interested in the assessment of invalidity of the enforced patent will have a not easy task to convince the judge (prior to eventual further appointment of the Court Expert) that another claim limitation request filed by the patent owner is not reasonable limitation request and is filed principally in order to delay the case.

To summarise, in the light of this judgment of the Supreme Court concerning the request of claim limitation, the patent holder:

- a) can file the request to limit claims until the very final moment of the case (the last hearing) and this is not an abuse of his rights;
- b) can file further requests to limit claims once the previous request was unsuccessful and this is not an abuse of his rights;
- c) should not see his claim limitation requests rejected even if they cause the delay of the case unless this is not their principal purpose and this is confirmed by clear evidence.

The pessimists may conclude that this judgment opens the door to severe delays in patent litigation, because the Supreme Court substantially says that you cannot reject claim limitation request unless they are clearly abusive, which could be pretty hard to prove.

The optimists may see the bright side of this decision: claims limitation should cause less interpretation problems from now on. In fact, it should also be considered that rejecting claim limitation requests of the patent holder because they were filed late (and they were not as the art.79.3 IPC says that they can be filed 'at any stage of

the case' and 'in any instance') or because they were more than one (and there is no such limit in the above-mentioned provision) actually severely delayed the patent litigation. Once the lower court rejected the limitation request, the analysis of the validity and infringement of the limited patent could not be done and the case would move to appeals and, eventually to the Supreme Court before it was sent back to the lower court for such technical analysis.

It is true that the claim limitation requests filed several times in a pending case cause delay. A good example may be one of the frequently quoted judgments on this topic rendered in December 2016 by the Court of Milan, in which the patent holder filed his claim limitation requests four times and each was evaluated by the Court Expert. That case was started in December 2010. However, rejecting them just because they are too many is not a right solution. In that case, in fact, the fourth limitation was considered to render the patent valid and it was still infringed by the defendant. The principle of reasonable time of proceeding should rather be dealt with through a timely management of the case calendar (avoiding long delays between the hearings and streamlining the activities of the Court Expert to avoid it takes one year or more) and not through limiting defence right of the parties.

Last but not least, right before the publication of this article, the Italian Supreme Court issued another interesting judgment on the issue of claims' limitation (judgment no. 7972/2024 issued on March 25, 2024 in case between Pellenc S.A.S and Zanon S.r.l.). In this case the Supreme Court confirmed that the limitation made during the pending case, but directly before the national patent office, has the same effects as the limitation made before the judge and it has to be taken into consideration once the judge is informed about it at any time of the case. The argument of the accused infringer was that the limitation made in front of the patent office (after it was rejected for formal reasons by the judge) harms the defendant's rights to fair trial as at a late stage of the case it could not revise its pleadings nor add new arguments. The Supreme Court rejected that reasoning as the limitation always causes (or should cause) a reduction of the patent's scope of protection and corresponds to abandoning by the plaintiff of a part of its infringement action. This being said, the defendant should already have filed all the defences against the original scope of protection including also those concerning the limited scope of protection, besides the judge can always appoint a Court Expert to assess the technical issues involved and this allows the defendant to discuss all the relevant arguments and even file new prior art documents according to the art.121.5 of the Italian IPC. Therefore, also in this case the defendant's arguments against admissibility of the claim limitation were rejected.