

UPC IFC no. 649/2024

Act No. 59315/2024



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ACT. NO. 59315/2024
ORDER NO. 59754/2024

COURT OF FIRST INSTANCE OF THE UNIFIED PATENT COURT
LOCAL DIVISION IN MILAN

ORDER NO. 59754/2024
issued on 5 November 2024

APPLICANT

PIRELLI TYRE S.P.A.

with a registered office at viale Piero e Alberto Pirelli 25, Milan, Italy

represented by attorneys-at-law Matteo Orsingher, Davide Graziano and Federica Franchetti,
via Fratelli Gabba 3, Milan

DEFENDANT

1) SICHUAN YUANXING RUBBER CO. LTD.

with a registered office in Wangye Economic Development Zone, Dayi County, Sichuan, China

**2) CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE, AUTOMOTIVE SUB
COUNCIL**

with a registered office in Sanlihe Road, Xicheng District, Beijing, China

PATENT AT ISSUE

EP 3519207 (hereafter EP207), entitled *motorcycles tyre*

DIVISION

Local Division in Milan

DECIDING JUDGE

This order is issued and signed by Pierluigi Perrotti, acting as a single judge pursuant to Rules 1.2(b), 208.2, 345.5 and 351.1(a) RoP.

LANGUAGE OF THE PROCEEDINGS

Italian

SUMMARY OF THE FACTS

On 31 October 2024 Pirelli Tyre s.p.a. (hereinafter Pirelli) filed an application pursuant to Article 62 UPCA and Rules 206 et seq. RoP.

Pirelli stated that it was the proprietor of patent EP207, entitled “motorcycles tyre”, which was granted on 4 November 2020 following an application dated 11 September 2017, claiming Italian priority IT102016000097453 from 28 September 2016. The patent concerns a tyre capable of high on-road performance while also offering excellent off-road capabilities. The patent was effective in Germany, Italy and France, among other countries.

The tyre was offered for sale under the trade name “Scorpion Rally STR” and was one of the leading products in the Pirelli range.

During the period from 5 to 10 November 2024, the *Esposizione Internazionale Ciclo e Motociclo e Accessori* 2024 (International Motorcycle and Accessories Exhibition, EICMA), the most important trade fair for the sector worldwide, was scheduled to take place in Rho Fiera (Milan). Pirelli had recently learned that Sichuan Yuanxing Rubber co. ltd. (hereinafter “Helios”) would also be present at the fair, having been allocated stand 164 in pavilion no. 10. The same exhibition space was also allocated to China Council for the Promotion of International Trade, Automotive sub council (hereinafter “CCPIT”).

Helios had advertised its presence at the EICMA fair through an announcement published on its website on 8 October 2024. The same announcement featured an image of the tyre identified by the trade names *HA-51R* and *HA-51F*.

These products reproduced all the features claimed in claim 1 of EP207.

Pirelli concluded by requesting, against Helios and CCPIT, the adoption of *inaudita altera parte* measures for injunctive relief, seizure and an order for the payment of a provisional sum in respect of costs.

Given the extreme urgency of the decision, the proceedings were assigned to the presiding judge 'acting as a single judge', in accordance with the provisions of Rule 208(2) RoP.

The Sub-Registry has carried out the verification required by Rule 207(8) RoP, and no protective letters have been filed.

By order No. 59449/2024 of 31 November 2024, the Court informed the applicant that it did not intend to grant the injunction *inaudita altera parte* and invited it to exercise the right provided for under Rule 209.4 RoP, with the alternative possibility to a) limit the application for protective measures to the seizure, delivery of the property, and costs (see point 4 and 5 of the conclusions contained in the application), or b) withdraw the application in its entirety.

In a defence brief filed on 3 November 2024, Pirelli indicated that it confirmed the application, limited to the seizure, delivery of property, and costs.

APPLICANT'S REQUESTS

Following the communication of 3 November 2024, Pirelli requested the Court to:

- carry out the seizure and delivery up to a bailiff appointed by the applicant, at the defendants' expense, of the contested products and tyres, regardless of their designation, both front and rear tyres, that have the same features as those described in the application, as well as any related promotional, advertising or informational material, in the direct or indirect possession of the defendants at the *Esposizione Internazionale Ciclo Motociclo e Accessori*, in order to prevent these items from being further exhibited at the aforementioned trade fair, placed on the market and marketed through distribution channels during the trade fair;
- authorise the applicant to attend the seizure and delivery operations through its trusted legal representatives and technical advisers;
- authorise service of the application together with the measures and attached documents by an alternative method (specifically, immediately at the time of execution of the measures in compliance with the regulations in force in Italy with respect to the service of judicial documents), in accordance with the combined provisions of Rules 275(1) and

276(1) RoP;

- order the defendants to pay the costs of the proceedings and other legal costs.

GROUNDINGS FOR THE DECISION

1. Jurisdiction and competence

The Unified Patent Court has jurisdiction over Pirelli's application, since the application falls within the scope of Articles 32.1(c) and 62 UPCA.

EP207 is a European patent and the proprietor has not exercised its right to opt out pursuant to Art. 83.3 UPCA and Rule 5 RoP. The patent is effective in Italy, among other countries, as evidenced by the EPO register.

The Milan Local Division is competent under the provisions of Article 33.1(a) UPCA, based on the connecting criterion of the *forum commissi delicti*, considering that, as asserted by the applicant, the exhibition of the infringing products will take place within Italian territory, and in particular at the Rho Fiera venue in Milan.

The application was filed with the Milan Local Division, where Pirelli intends to file a subsequent action on the merits to establish infringement.

2. Compliance with the requirements of Rule 206 RoP

2.1. Contents of the application

The application for provisional measures filed by Pirelli contains:

- (a) all the detailed information required under Rule 13.1(a) - (i) RoP;
- (b) an indication of the required measures;
- (c) the reasons why the requested measures are necessary to prevent the threat of infringing conduct or to prevent its continuation;
- (d) the facts and evidence on which the application is based.

2.2. Concise description of the future proceedings on the merits

Pirelli intends to bring an action on the merits against the opposing parties, seeking a final determination of the infringement of EP207 and the torts described in the application, with the issuance of all consequent measures provided for by the UPCA, in particular injunctive relief with penalties for non-compliance, seizure, compensation for damages incurred and publication of the ruling, as well as the awarding of litigation costs.

Accordingly, the conditions of Rule 206.1(e) RoP are fulfilled.

3. Rights of the applicant arising from a valid patent - Rule 211.2 RoP

EP207 originates from the international application PCT/IB2017/055466, filed on 11 September 2017 by Pirelli and claiming Italian priority IT102016000097453 dated 28 September 2016. The patent was granted on 4 November 2020 and was validated in Italy through the filing of the translation at the Italian Patent and Trademark Office (UIBM). The patent is also effective in other countries, including Germany and France.

EP207 covers tyres intended to be mounted on motorcycles defined as “big *enduro*” or “*dual purpose*” with medium-large engine capacity. It was granted with 14 claims, one independent and 13 independent.

Claim 1 claims the following features:

- a) motorcycles tyre, comprising;
- b) a radial carcass structure;
- c) a belt structure applied in radially outer position with respect to the carcass structure;
- d) a tread band applied in radially outer position with respect to the belt structure;
- e) the tyre having a curvature ratio (f/C) greater than or equal to about 0.25; wherein the tread band comprises:
 - f) a plurality of blocks mutually spaced so as to define a tread pattern with a void/solid ratio smaller than 50%, preferably comprised between about 25% and less than 50%, wherein the void/solid ratio is calculated as $1-S_b/St$, wherein S_b is the total of the top surfaces of the blocks of a specific portion of the tread pattern of the tyre and St is the overall surface of the specific portion of tread pattern;
 - g) transverse grooves placed in succession along the circumferential extension of the tyre and each extending substantially over the entire axial width of the tread band;
 - h) wherein each transverse groove substantially extends along an axial direction;
 - i) wherein two successive transverse grooves circumferentially delimit an assembly of blocks placed in succession over the entire axial width of the tread band;
 - l) circumferential grooves delimiting the blocks of an assembly;
 - m) wherein a ratio between a circumferential length ($L1$) of the blocks and a width ($L2$) of the transverse grooves is equal to or greater than about 2.

The technical features thus claimed overcome the issues of existing solutions in the prior art, which did not offer satisfactory performance either on-road or off-road. The teachings of the

patent enable the creation of a tyre that offers excellent on-road performance (in terms of high-speed stability, holding in dry and wet conditions and handling) while simultaneously offering high off-road performance (in terms of adherence, traction and controllability).

Pirelli proved to be the sole proprietor of patent EP207 (see doc. 1).

In relation to the validity of the patent, it should be noted that according to Rule 206.4 RoP, the proprietor is obliged to disclose any factual circumstances that may be relevant to the Court's decision to issue an order *inaudita altera parte*, with the obligation to disclose - in particular - the pendency and outcome of any proceedings relating to the patent asserted.

Pirelli stated that no oppositions have been filed before the European Patent Office and no revocation actions have been brought before national courts.

At this point in the proceedings, the patent is supported by a presumption of validity and the Court has no basis to doubt the validity of EP207.

4. Suspected infringement - Rules 211.1(b) and 211.2 RoP

Section 62.3 UPCA and Rule 211.1(b) RoP provide that the court may order the seizure of products suspected of infringing a patent to prevent their entry into or circulation within the channels of commerce.

The provisions under consideration therefore require the demonstration of a mere suspicion of infringement.

The applicant alleges literal infringement of the patented teachings by two specific tyre models offered for sale by Helios:

1) the “HA-51R” model (accessible at en.heliostire.com/product_detail/18.html, see doc. 11);

2) the “HA-51F” model (accessible at en.heliostire.com/product_detail/19.html, see doc. 12).

Pirelli submitted an expert report (see doc. 13) containing a detailed comparison table, also reproduced in the application, between the patent teaching, the patent drawings (see Figures 2, 4 and 5 of EP207) and the photographic reproductions of the disputed models (see pages 9 ff. of the application; pages 8 ff. of doc. 13).

Helios announced its participation in the EICMA trade fair via a special announcement on its website. The promotional image published on the website depicts, among others, the HA-51R / HA-51F tyre model (see doc. 8). The actual participation in the trade fair is also evidenced by the allocation to Helios and CCPIT of stand 164 in pavilion 10 (see doc. 7).

In light of these findings, the Court considers the suspicion of imminent infringement asserted

by Pirelli to be well-founded, also pursuant to Rule 211.2 RoP.

It is evident that the risk of infringing products entering into or circulating within the channels of commerce is related to their exhibition at the trade fair, as expressly announced by Helios. The typical purpose of this type of trade fair event is precisely to promote sales to operators, among which are certainly included buyers interested in their subsequent placement within the Italian, French and German markets, i.e. in the territories of the UPC Contracting Member States where the patent enforced by Pirelli is valid and effective.

5. Plurality of defendants

At the current stage of the proceedings, it is not entirely clear whether and in what capacity CCPIT can be considered to be effectively involved in Helios's infringing conduct. The proven sharing of the exhibition space (see also doc. 7) makes it appropriate, however, to order that the measures - and their subsequent enforcement - be extended to this party as well, with a view to ensuring further protection of its rights.

6. Urgency

Pirelli only recently became aware of the presentation of the infringing products by Helios at the EICMA trade fair, following the publication on 8 November 2024 on the website of a special announcement (see also doc. 8). Pirelli's initiative is therefore entirely timely, including within the framework of Rule 211.4 RoP.

In accordance with the provisions of Articles 60.5 and 62.5 UPCA as well as Rules 212.1 and 197 RoP, the Court may order provisional measures *inaudita altera parte* "in particular where any delay is likely to cause irreparable harm to the applicant".

This is the case here.

Helios intends to exhibit the products suspected of infringement at the EICMA trade fair to be held in Rho Fiera (Milan) from 5 to 10 November 2024.

The EICMA trade fair is one of the most important in the motorcycle industry worldwide (see doc. 3). Helios' HA-51R and HA-51F tyre models are entirely substitutable for Pirelli's Scorpions Rally STR products. There is therefore a tangible risk for the applicant of losing significant market share, directly linked to the promotional activity carried out during the trade fair event.

It is also evident that the time required to arrange the summoning of the defendants would

jeopardise any possibility of enforcement of the measures, effectively nullifying the protection of the patent proprietor's rights.

The failure to summon the defendants is therefore justified by the extreme rapidity with which the measure must be granted and executed, also taking into account the circumstance that both defendants are based in China, making it impossible to ensure the timely initiation of adversarial proceedings. This is without prejudice, however, to the rights of the defendants to file for review and/or appeal, as further specified below.

7. Balancing of interests

Rule 211.3 RoP provides that "[i]n taking its decision the Court shall in the exercise of its discretion weigh up the interests of the parties and, in particular, take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction".

In the present case, given the presumption of validity of the patent asserted in the case and the well-founded suspicion of infringement of the patent - alleged to be literal - the measure of seizure of the infringing goods, to be executed at the EICMA trade fair, appears to be an appropriate measure capable of reasonably balancing the opposing interests of the parties.

The EICMA trade fair is in fact one of the most important in the motorcycle industry worldwide. Helios' HA-51R and HA-51F model tyres are entirely substitutable for Pirelli's corresponding Scorpions Rally STR products, and there is therefore a tangible risk that the applicant will lose significant market share. On the other hand, Helios and CCPIT will not be fully impacted by their participation in the trade fair, and will retain the ability to offer for sale and promote all other products in their tyre range, which may continue to be advertised during the same trade fair.

In light of the foregoing considerations, Pirelli's interest in obtaining the seizure appears to outweigh that of the defendants' interest in not having its active participation in the fair hindered, given the limited impact of the seizure measure in relation to this latter expectation.

8. Payment of court fees

On 31 October 2024, Pirelli informed the Sub-Registry that it had paid the court fees due for the present proceedings, attaching the bank receipt proving payment.

However, at this time, it is not yet possible to verify the successful completion of the bank transaction. Therefore, at the current state of the proceedings, it is only possible to acknowledge the payment on the basis of the declaration made by Pirelli, under its direct responsibility.

9. Method of execution of the measures

The measures will be executed by the bailiff with territorial jurisdiction, in compliance with the provisions of Italian law on the execution of judicial measures.

The extreme urgency and the limited time available for service require ordering that the service be effected using an alternative method to the ordinary one, in accordance with the provisions of Rules 275.1 and 276.1 RoP, as requested by Pirelli in its application.

The application and these measures will therefore be served, at the initiative of the applicant, with the assistance of and by the bailiff, at the location where the EICMA trade fair is being held, in Rho Fiera (Milan), immediately at the time of execution of the measures.

The execution shall be carried out in such a manner as to ensure the least possible disruption to the normal course of the trade fair, in particular at the stand of the defending parties.

The goods delivered upon execution of the seizure must be entrusted to a custodian, to be identified by the applicant, in accordance with the provisions of Italian law on the execution of judicial measures. The identity of the appointed custodian and the place of custody must be communicated within 5 days of the execution of these measures.

The applicant is authorised to participate in the seizure operations with its representatives and technical experts, primarily to facilitate the identification of the relevant goods to be delivered up to the bailiff.

10. Time limit for initiating the proceedings on the merits

In accordance with the provisions of Rule 213.(1) RoP, the measures will be revoked or otherwise cease to have effect, at the request of the defendants, if the applicant does not initiate proceedings on the merits before the Unified Patent Court within a period of twenty working days or thirty-one calendar days, whichever represents the longer period, with the said period starting from the date of service of this order on the defendants.

11. Security

Pursuant to Rule 211.5 RoP, the Court considers that special circumstances exist for not making the execution of the order conditional on the provision of security by the applicant.

The EICMA trade fair will take place from 5 to 10 November 2024, with extremely tight deadlines for the execution of these measures. The imposition of security would therefore entail

the risk of an objective and irreparable compromise of the ability to effectively execute these measures.

However, Pirelli is well-known as one of the world's leading companies in the production and sale of tyres. Pirelli should therefore be able to compensate the defendants for any possible damage caused by the execution of the measures.

The measures are therefore immediately enforceable.

12. Review

The defendants may request a review of this order within a period of thirty days commencing from the date of execution of the measures, in accordance with Rules 212.3, 197.3 and 197.4 RoP.

13. Appeal

The parties may file an appeal within a period of fifteen days from the service of this order, in accordance with the provisions of Article 73(2)(a) UPCA and Rules 220.1(c) and 224.2(b) RoP.

ORDER

The Court authorises the seizure requested by the applicant, which shall be carried out against Sichuan Yuanxing Rubber Co. Ltd. and China Council for the Promotion of International Trade, Automotive Sub-council at the EICMA *Esposizione Internazionale Ciclo e Motociclo e Accessori* trade fair to be held in Rho Fiera (Milan), Italy, from 5 to 10 November.2024 and, accordingly:

- orders the defendants to deliver up to the bailiff in charge
 - (i) all tyres bearing the trade names HA-51R and HA-51F, or otherwise named, both front and rear, insofar as they have the features specified in claim 1 of EP3519207;
 - (ii) all promotional, advertising or informational materials referring to the aforementioned tyres;with the subsequent appointment of a custodian to be carried out in accordance with the provisions of Italian national law on the execution of judicial measures; the name of the designated custodian and the place of custody must be communicated within 5 days of the execution of these measures;
- orders that these measures, together with a copy of the application and the documents

annexed thereto, as well as the letter of service and the instructions for access to the proceedings by the CMS, shall be served by the appellant, with the assistance of the bailiff, at the exhibition stand assigned to the defendants at the EICMA Esposizione Internazionale Ciclo e Motociclo e Accessori to be held in Rho Fiera (Milan), Italy, from 5 to 10 November 2024, immediately upon execution of this order, in compliance with the Italian national law on the service of judicial documents;

- provides that in the event that the defendants fail to voluntarily comply with the protective order, the bailiff shall be authorised, if deemed necessary, to request the assistance of the law enforcement authorities, in accordance with the provisions of Italian law on the execution of judicial measures;
- authorises the applicant to attend the seizure and delivery operations through its trusted representatives and technical advisers;
- declares that these measures shall be immediately enforceable;
- declares that the seizure will be revoked or otherwise become ineffective, at the request of the defendants, if the applicant does not initiate proceedings on the merits before the Unified Patent Court within a period of twenty working days or thirty-one calendar days, whichever represents the longer period, with the said period commencing on the date of service of this order on the defendants.

Any decision regarding legal costs is deferred to the subsequent proceedings on the merits.

The defendants may request a review of this order within thirty days from the date of execution of the measures, in accordance with the provisions of Rules 212.3 and 197.3 and 197.4 RoP.

The parties may lodge an appeal within fifteen days from the service of this order, in accordance with the provisions of Article 73(2)(a) UPCA and Rules

220(1) (c) and 224(2) (b) RoP.

UPC IFC no. 649/2024

Act No. 59315/2024

Milan, 5 November 2024.

Pierluigi Perrotti
single judge

Pierluigi
Perrotti

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clerk



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