



Milan Local Division

UPC CFI no. 318/2024 and no. 7302024
Act. no. 35574/2024 and CC no. 62953/2024
App. n. 12517/2025
Decision issued on 7.5.2025

CLAIMANT

TELEFONAKTIEBOLAGET LM ERICSSON - 21 Torshamnsgatan, Kista, 164 83 Stockholm, Sweden
represented by Mr. Wim Maas

DEFENDANTS

1) ASUSTEK COMPUTER INC - 15, Lide Road, Beitou Dist., Taipei City 112019, Taiwan
2) ARVATO NETHERLANDS B.V. - Brem 1, 6598 MH Heijen, The Netherlands
3) DIGITAL RIVER IRELAND LTD. - Ground Floor, Two Dockland Central, Guild Street, North
Dock, Dublin 1, Ireland
represented by Mr. Alexander Wilson

PATENT AT ISSUE

EP 2727342

PANEL/DECIDING JUDGES

Pierluigi Perrotti	presiding judge
Alima Zana	Judge rapporteur
Rute Lopes	legally qualified judges
Christoph Norrenbrock	technically qualified judge

LANGUAGE OF THE PROCEEDINGS

English

SUBJECT OF THE PROCEEDINGS

Withdrawal of infringement action against one Defendant

Withdrawal of revocation action by one Defendant

SUMMARY OF FACTS AND PROCEEDINGS

On 14.6.2024, Telefonaktiebolaget LM Ericsson (hereinafter referred to as Ericsson) filed an infringement action concerning EP 2727342 against Asustek Computer Inc., Arvato Netherlands B.V. and Digital River Ireland Ltd. (hereinafter referred to as Asustek, Arvato and Digital River, respectively) at the Milan Local Division.

On 29.11.2024 the Defendants filed a joint statement of defence and counterclaims for revocation in relation to the infringement proceedings.

On 28.2.2025 Defendants lodged two identical applications (App no. 10335/2025 related to the infringement action; App. no. 10336/2025, related to the counterclaim for revocation) requesting proceedings to be stayed according to rules 295 and / or 311 RoP, grounding their request on the circumstance that Digital River was undergoing insolvency proceedings in Ireland, and therefore the infringement proceedings should be stayed for three months from the date of the final winding up order. Defendants filed the decision of the High Court of Ireland dated 24.2.2025, which ordered that Digital River be wound up by the Court.

Following Digital River's insolvency, on 13.3.2025 Ericsson filed an application for leave to withdraw the infringement action against Digital River (App. no. 12517/2025) and submitted that, in the interest of equity, Digital River should bear its own costs. Ericsson was withdrawing the case merely due to Digital River's insolvency and therefore it cannot be considered the unsuccessful party.

Defendants did not object to the withdrawal. Digital River filed an application for leave to withdraw its counterclaim for revocation against Ericsson. This counterclaim did not generate any additional costs to Ericsson over and above the costs of defending the identical and remaining counterclaim actions of Asustek and Arvato.

Digital River was the successful party in the event of the withdrawal of the infringement actions and requested an interim award of costs of 5.500 EUR.

In its final comment, Ericsson declared to agree to Digital River's withdrawal of the counterclaim for revocation and requested an interim order of costs amounting to 5.500 EUR pursuant to rules 265.2(c) and 150.2 RoP.

On 14.4.2025, at the specific invitation of the Court, representatives of Digital River confirmed that the liquidators appointed by the High Court of Ireland have confirmed their instructions to withdraw the counterclaim for revocation in the present proceedings.

DECISION SOUGHT BY THE PARTIES

The Applicant requests the Court to:

- 1) allow Ericsson to withdraw the infringement proceedings against Digital River pursuant to rules 311.3 and 265 RoP;
- 2) order Digital River to bear its own costs upon granting this application;
- 3) order Digital River to bear the costs incurred by Ericsson in connection with the counterclaim proceedings and the application to stay pursuant to rule 265.2(c) RoP and to make an interim order of costs pursuant to rule 150.2 RoP amounting to 5.500 EUR and payable within 14 days;
- 4) in the event the Court orders Ericsson to bear the costs incurred by Digital River in connection with the infringement proceedings, Ericsson requests that those costs will be settled if Ericsson's request under 3) above is granted.

The Defendants request that the Court:

- 1) gives decisions declaring closed (i) the infringement actions brought by Ericsson against Digital River and (ii) the counterclaim actions brought by Digital River against Ericsson, and orders these decisions be entered on the register pursuant to rule 265.2(a)(b) RoP;
- 2) orders Ericsson to bear the costs incurred by Digital River in connection with the infringement actions pursuant to rule 265.2(c) RoP and makes an interim order of costs pursuant to rule 150.2 RoP in the sum of 5.500 EUR to be paid within 14 days;
- 3) directs Ericsson to clarify its case in its reply and defence to counterclaim to address the closure of the infringement actions and the counterclaim actions with respect to Digital River.

FOUNDATIONS OF THE DECISION

1. Withdrawal

According to rule 265.1 RoP, a claimant may apply to withdraw an action as long as there is no final decision. Pursuant to rule 311.3 RoP, the claimant may withdraw the action against an

insolvent defendant, as provided in rule 265 RoP. Such withdrawal shall not prejudice the action against other parties.

Parties agree on their mutual withdrawal.

On this basis, the withdrawal of the infringement action against Defendant Digital River is allowed, and the main action will continue against Defendants Asustek and Arvato only.

At the same time, the withdrawal of the counterclaim for revocation filed by Digital River against Ericsson is allowed, and the counterclaim action will continue among Asustek and Arvato against Ericsson.

2. Costs

Rule 265.2(c) RoP provides that if the withdrawal is permitted, the Court shall issue a cost Decision in accordance with Part 1, Chapter 5 (rules 150 - 157 RoP).

Parties do not agree on the costs award, as both consider that the other party should bear the costs.

Art. 69.1 UPCA provides the general principle that the losing party must bear the successful party's costs, which comprise reasonable and proportionate legal costs and other expenses incurred by the successful party. Where exceptional circumstances occur, equity may provide differently, or the Court may order that each party bears its own costs (Art. 69.2 UPCA).

The Court notes that the specific circumstances of these withdrawals should be taken into consideration, as this case involves only partial withdrawals and that the main action and the counterclaim will continue.

Furthermore, the requests for withdrawal have their grounds on Digital River's insolvency. Although not required by law, the Court acknowledges that the delay in the proceedings due to the insolvency would likely serve no purpose to Ericsson in the case the infringement action is successful. In that regard, the Court considers that the mutual withdrawals were due to circumstances over which none of the parties has control and has no reason to conclude that any of the parties is an unsuccessful party.

On the other hand, the patent invalidity action was filed by the three Defendants in a uniform manner, without any differences in content. Therefore, there was no increase in Ericsson's legal costs related to Digital River's counterclaim for revocation.

Consequently, the Court finds that the principles of fairness and equity require that both Ericsson and Digital River bear their own costs in relation to these withdrawal proceedings.

DECISION

- the withdrawal of the infringement action against Digital River Ireland Ltd. is allowed and the infringement action will continue against Asustek Computer Inc. and Arvato Netherlands B.V.;
- the withdrawal of the counterclaim for revocation filed by Digital River Ireland Ltd. against Telefonaktiebolaget LM Ericsson is allowed; the counterclaim for revocation lodged by Asustek Computer Inc. and Arvato Netherlands B.V. will continue against Telefonaktiebolaget LM Ericsson;
- both Telefonaktiebolaget LM Ericsson and Digital River Ireland Ltd. shall bear their own costs in relation to these withdrawal proceedings;
- this decision is to be entered on the register.

INFORMATION ABOUT APPEAL

An appeal against the Decision on withdrawal may be lodged at the Court of Appeal, by any party that has been unsuccessful, in whole or in part, in its submissions, within two months of the date of its notification (Art. 73(1) UPCA, rule 220.1(b), 224.1(a) RoP).

Milan, 7 May 2025.

Pierluigi Perrotti
presiding judge

Alima Zana
Judge rapporteur

Rute Lopes
legally qualified judge

Christoph Norrenbrock
technically qualified judge

for the Deputy Registrar