



Milan Local Division

UPC CFI no. 319/2024, no. 728/2024
Act. no. 35575/2024, no. 62950/2024
App. no. 63683/2024, no. 63684/2024,
no. 67633/2024, no. 5425/2025, no. 5436/2025
Order no. 69253/2024
issued on 28.4.2025

CLAIMANT

TELEFONAKTIEBOLAGET LM ERICSSON

DEFENDANTS

ASUSTEK COMPUTER INC.
ARVATO NETHERLANDS B.V.
DIGITAL RIVER IRELAND LTD.

DECIDING JUDGE

presiding judge and judge rapporteur Pierluigi Perrotti

For obvious reasons of procedural economy, this order will be filed only in workflow no. 63684/2024, but it shall be referred to and linked to all the other workflows, also indicated above, in the header of the order.

SUMMARY OF FACTS

On 14.6.2024 Telefonaktiebolaget Lm Ericsson filed an action for infringement of patent no. EP3076673 against Asustek Computer Inc., Arvato Netherlands b.v. and Digital River Ireland ltd. (UPC CFI no. 319/2024 - Act. no. 35575/2024).

On 29.11.2024, the Defendants filed a counterclaim for revocation (UPC CFI no. 728/2024 - Act. no. 62950/2024) and two identical applications under rule 262A and 262.2 RoP (App no. 67595/2024, related to the main action for infringement UPC CFI no. 319/2024 - Act. no. 35575/2024; App. no. 63684/2024, related to the counterclaim for revocation UPC CFI no. 728/2024 - Act. no. 62950/2024).

In these two applications, the Defendants requested that:

- I. access by Claimant to the unredacted versions of certain documents, collectively referred to as *Asustek Confidential Documents*, shall be restricted exclusively to:
 - (i) the Claimant's authorised representatives named as acting for the Claimant in these proceedings;
 - (ii) one private licensing/valuation expert retained by the Claimant for the purposes of these proceedings, who is to be named by the Claimant and who has confirmed to the Claimant's authorised representatives that he has no conflict assisting the Claimant in these proceedings;
 - (iii) one natural person from the Claimant, who is to be named by the Claimant;
 - (iv) and, in relation to (i) and (ii) above, other employees of Taylor Wessing N.V. and Studio Legale Andrea Piai who assist the Claimant's named authorised representatives in these proceedings and other individuals in the same employ as the expert who assist the expert in these proceedings.
- II. The redacted parts of the *Asustek Confidential Documents* shall be treated as confidential by the individuals listed in (I) and, in particular, shall not be disclosed to any other individuals (other than the first Defendant or its named authorised representatives in these proceedings) or used for purposes other than these proceedings, except to the extent that it has come to the knowledge of the receiving party outside of these Proceedings, provided that the receiving party has obtained it on a non-confidential basis from a source other than the Defendants or their affiliates, provided that such source is not bound by a confidentiality agreement with or other obligation of secrecy with the Defendants or their affiliates. This obligation of confidentiality shall continue to apply after the termination of these proceedings.
- III. In the event of a culpable breach of this order, the Court may impose a penalty payment for each breach, to be determined having regard to the circumstances of each case.
- IV. The unredacted versions of the *Asustek Confidential Documents* shall not be provided by the Registry to any members of the public without the Defendants being given the opportunity to provide written comments objecting to such provision.

By preliminary order no. 63961/2024 dated 3.12.2024 the judge-rapporteur granted the Claimant until 20.12.2024 to file its comments on the aforementioned request, pursuant to rules 262A and 262.2 RoP.

On 20.12.2024, Claimant filed a "*response to the application for the protection of confidential information*" (App. no. 67633/2024) clarifying that it may have submitted with the reply to the statement of defence one or more exhibits - for the purpose of the RAND discussions - that contained highly confidential information, such as license agreements between Ericsson and third parties which were likely in direct competition with Asustek.

Ericsson therefore requested to apply an "*external eyes only*" confidentiality regime, granting access to all the confidential documents to (i) UPC representatives and respective legal teams and (ii) one expert on the side of the Claimant and one expert on the side of the Defendants. In Claimant's view, this option complied with provisions of Art. 58 UPCA and rule 262A RoP, with general principles of fair trial and with the necessity to ensure full respect of the adversarial

principle. Ericsson observed also that providing access to this information to a large group of natural persons on the side of the Defendants would have increased the risk that confidential information would have fallen in the wrong hands, which could have distorted competition. Ericsson contested the admissibility of the Defendants' request to identify one of Claimant's UPC representatives as the responsible party in the event of a breach of confidentiality by a member/assistant of the legal team.

By preliminary order no. 2055/2025 dated 13.1.2025, the judge-rapporteur noted a problem of access by Ericsson's representatives to *Asustek confidential documents*. In order to overcome this technical obstacle, the Court requested the Defendants to refile the 262A RoP application in such a way as to allow Claimant's representatives effective access to the documents, even in their unredacted version.

Defendants filed the new application on 31.1.2025 (App no. 5425/2025, related to the main action for infringement; App. no. 5436/2025, related to the counterclaim for revocation).

They agreed that a confidentiality regime should be established in respect of all documents containing confidential information, whether already lodged or to be lodged at a later stage, during the proceedings, while reserving the right to review and challenge the designation of confidentiality.

They emphasized that the case law of the UPC was against allowing an "*external eyes only*" regime, with the sole and limited exception of specific cases where there had been a prior and express agreement between the parties to that effect. Such a restriction would have prejudiced the Defendants' right to a fair trial.

There was no real risk of distortion of competition due to excessive diffusion of confidential information. In fact, Defendants agreed to the limitation to the maximum extent permitted by law, with the granting of access authorization limited to only one natural person from their side. They agreed to Ericsson's request for an extension of time pursuant to rule 29 RoP, with the two-month period running from the date of the decision on the Application.

Ericsson filed a reply on 17.2.2025 and insisted on its request to authorise an "*external eyes only*" regime.

By preliminary order no. 9503/2025 of 26.2.2025 the Court:

- invited the Parties to explore the possibility of reaching a procedural agreement on the confidentiality regime to be applied to all confidential documents already submitted or to be submitted in the future by the Parties during the proceedings, expressly identifying the names, personal qualities and roles of the persons included in the confidentiality club, without prejudice to the right to challenge the confidential nature of the same documents;
- invited the parties to inform the Court of the outcome of these negotiations by means of pleadings to be submitted no later than 17.4.2025 (as lastly extended by order no. 10654/2025 dated 4.3.2025), setting out all the elements on which an effective agreement, even if only partial, has been reached, so as to make clear the remaining disputed profiles on which a decision will be necessary;

- ordered as of now that the time limit provided for by rule 29 RoP for the Claimant to file its reply to the statement of defence shall start only from the moment a final order is adopted on Application 262A and 262.2 RoP submitted by the Defendants.

With separate comments lodged, respectively, on 8.4.2025 (Claimant) and 7.4.2025 (Defendants), the Parties informed the Court of the outcome of the negotiations.

The only point of contention was the admissibility of an “*external eyes only*” regime.

Asustek maintained its position that rule 262A.6 RoP requires that at least one natural person from a party should have access to the confidential information where the party so requests.

Ericsson held the view that this typology of confidentiality regime was possible and should have been imposed even without the consent of both parties.

GROUNDS FOR THE ORDER

The documents filed by the Defendants for which the application was filed pursuant to Art. 58 UPCA and rules 262A and 262.2 RoP are as follows:

- a) Statement of defence and Counterclaim for revocation dated 29.11.2024 (information marked in grey);
- b) Exhibit-ASU-673-D4: [REDACTED];
- c) Exhibit-ASU-673-D5: [REDACTED];
- d) Exhibit-ASU-673-H8: [REDACTED] (information marked in grey);

Confidentiality of this information is undisputed by Ericsson.

The Parties have also agreed that:

- a single confidentiality regime shall apply to all documents designated by one of the parties as confidential in these proceedings (without prejudice to the right of the parties to challenge the confidential nature of the same documents);
- the following individuals shall have access to the confidential information:
 - (i) Claimant’s authorised external UPC representatives in these proceedings and their assistants;
 - (ii) Defendants’ authorised external UPC representatives in these proceedings and their assistants;
 - (iii) Ericsson’s licensing expert witness [REDACTED] - [REDACTED];
[REDACTED]
 - Asustek’s licensing expert witness [REDACTED] - [REDACTED];
[REDACTED]

Defendants have agreed not to pursue their request that a named UPC representative should be identified as the person for any breach of confidentiality obligations committed by a member of his staff of assistants or collaborators.

The parties have also agreed that, should the Court order that one natural person from each party should have access to the confidential information, the following individuals should have access to the confidential information:

- for Ericsson, [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
- for Asustek, [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] - [REDACTED] [REDACTED]
[REDACTED]

The only issue remaining in dispute between the parties is whether the Court may order the adoption of an “*external eyes only*” confidentiality regime in these proceedings, even in the absence of an agreement between the parties.

The general rules for the protection of confidential information in proceedings before the UPC are Art. 58 UPCA and rule 262A RoP, which in turn reflects the content of Art. 9 of EU Directive 2016/943.

According to the wording of these legal provisions, the Court is required to strike a fair balance between the conflicting interests of the parties, taking into account, on the one hand, the possible prejudice that may be caused to a party by the disclosure of confidential information in its exclusive possession and, on the other hand, the need to ensure the effectiveness of the rights of defence of the opposing parties.

Where the latter need is considered to outweigh the protection of confidential information, access may be granted to a limited number of persons to the extent strictly necessary to ensure compliance with the right of the parties to the legal proceedings to an effective remedy and to a fair trial, and shall include, at least, one natural person from each party and the respective lawyers or other representatives of those parties to the legal proceedings¹.

By order dated 12.2.2025, the Court of Appeal expressly reaffirmed this principle, stating that “*pursuant to rule 262A.6 RoP the number of persons to whom access is restricted shall be no greater than necessary in order to ensure compliance with the rights of the parties to the legal proceedings to an effective remedy and to a fair trial, and shall include, at least, one natural person from each party and the respective lawyers or other representatives of those parties to the legal proceedings*” (Apl. no. 58177/2024 - UPC CoA no. 621/2024).

¹ “*When deciding the application of the defendants to grant protection for the allegedly confidential information, the court has to weigh the right of a party to have unlimited access to the documents contained in the file, which guarantees its fundamental right to be heard, against the interest of the opposing party to have its confidential information protected. Both fundamental principles have to be balanced against each other on the instant facts of the particular case*” (Düsseldorf LD, App. no. 6761/2024 in ACT no. 578607/2023).

The Court of Appeal also added an important clarification: “*rule 262A.6 RoP does not require that the person to whom access is given be an employee of a party or a representative within the meaning of Art. 48 UPCA. Such a requirement does not follow from the wording of the provision and would unduly restrict a party’s freedom to choose its assistants in the proceedings*”.

The interpretation of the Court improves and extends the freedom of choice of each party, which is not obliged to choose the “*natural person*” it trusts only from within its own organization. The person designated by the party and authorized by the Court to have access to confidential information may therefore also be an external expert, taking into account all the specific circumstances of the case, and in particular “*the role of that person in the proceedings before this Court, the relevance of the confidential information to the performance of that role and the trustworthiness of the person in keeping the information confidential*”.

It is clear that in its decision of 12.2.2025, the Court of Appeal did not order an “*external eyes only*” regime.

This type of regime may be a possible effect of the interpretation of the Court of Appeal, which will occur if each party chooses - freely and independently - to rely only on an external expert of its choice.

In addition to this hypothesis, there is the experience already known in the UPC case law of the “*external eyes only*” regime allowed by the Court on the basis of prior express agreement of all parties to the proceedings.

A further deviation from the general provisions of Art. 58 UPCA and rule 262A RoP is permitted and may even be considered necessary in the event of interference of the patent system with the antitrust system.

The European Commission expressly clarified that “*the members of the confidentiality ring may range from external advisers of the parties (e.g. external legal counsel or other advisers) to in-house legal counsel and/or other company representatives. Depending on the national rules and the specific circumstances of the case, confidentiality rings may be composed of external advisers only or of a combination of external and internal advisers [...] External advisers may include legal counsel and other advisers or experts such as accountants, economists, financial advisers or auditors, depending on the needs of the case at hand. [...] Subject to the relationship between the requesting and the disclosing parties, and the information to be disclosed, the court may consider necessary to limit access to the confidentiality ring to advisers that are not involved in the decision-making processes of the companies they represent. This is often the case for external advisers” (underline added; see European Commission “*Communication on the protection of confidential information by national courts in proceedings concerning the private enforcement of EU competition law*”, 2020/C 242/01, para. 61 et seq.; see also Milan Local Division, order no. 23384/2024 of 6.5.2024 in Act. 549585/2023 - App. no. 21554/2024).*

Art. 20 UPCA provides that the UPC shall apply Union law in its entirety and shall respect its primacy. At the same time, Art. 42.2 UPCA states that the Court shall ensure that the rules,

procedures and remedies provided for in the Agreement and in the Statute are used in a fair and equitable manner and do not distort competition.

In the opinion of the Court, it is therefore possible to order the adoption of an “*external eyes only*” regime, at least in cases where there is an actual and proven risk of conflict between the patent system and antitrust law and provided that the further conditions set out in the provisions of the above-mentioned European Commission communication are also met.

The restriction of access to documents is indeed exceptional and subject to a strict burden of proof of the party requesting such a restriction, pursuant to Art. 54 UPCA. The burden of proof is met by a rigorous showing of the risk of disclosure and, in any event, the risk of abuse with anticompetitive effects that the court would otherwise be unable to prevent.

In its submissions, Ericsson made a general reference to a possible violation of antitrust law, arguing that “*providing a large group of natural persons on the side of the Defendants access to this information, increase the risk that confidential information will fall in the wrong hands, which could distort competition and should be prevented*” (underline added; see response lodged on 20.12.2024, para. 2.4.2).

However, Ericsson appears to have confined itself to a mere statement of principle and, in particular, has not provided any concrete factual elements to support the risk of an effective violation of the antitrust rules. In the absence of more precise arguments from the Claimant on this point, the Court is not in a position to make an assessment of the actual appropriateness and/or necessity of ordering an “*external eyes only*” regime as requested by the Claimant.

On the other hand, the risks threatened by Ericsson appear to be indeed extremely limited, considering that the Defendants have requested access to the confidential information only to a single natural person, and thus to the minimum extent provided for in rule 262A RoP.

In light of the foregoing, Ericsson’s request to establish a confidentiality club composed only of external persons, outside the organization of each Party, must be rejected. The composition of the confidentiality club will then be determined in accordance with the content of the agreement reached by the parties.

It is not necessary - at this stage - to issue an order on the Defendants’ request to prevent access from the public to the *Asustek Confidential Documents*. Defendants themselves openly doubt of this necessity. Any decision shall be postponed if and when access will be actually requested by a member of the public.

Finally, the Court reiterates that the two-month period provided for in rule 29 RoP runs from the date of actual access to the confidential information, which is supposed to coincide with the date of delivery of this order.

ORDER

- the information contained in the *Asustek Confidential Documents* is classified as confidential;
- access to the information contained in the *Asustek Confidential Documents* and to all other documents designated by one of the Parties as confidential and confirmed as such by the Court in these proceedings shall be restricted to the following persons only:
 - (i) Claimant's authorised external UPC representatives in these proceedings and their assistants;
 - (ii) Defendants' authorised external UPC representatives in these proceedings and their assistants;
 - (iii) Ericsson's licensing expert witness [REDACTED] - [REDACTED] [REDACTED] [REDACTED] - [REDACTED] [REDACTED]
 - (iv) Asustek's licensing expert witness [REDACTED] [REDACTED] - [REDACTED] [REDACTED] - [REDACTED] [REDACTED] [REDACTED]
 - (v) one natural person from each party
 - a) for Ericsson, [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 - b) for Asustek, [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] - [REDACTED] [REDACTED] [REDACTED]
- such information shall not be used or disclosed outside these court proceedings;
- the foregoing persons shall also be under a mutual obligation to maintain the confidentiality of the information contained in the unredacted versions of the confidential documents;
- this obligation of confidentiality shall continue to apply after the termination of these proceedings;
- in the event of a culpable breach of this order, the Court may impose a penalty payment for each violation pursuant to rule 354.3 RoP which will be determined having regard to the circumstances of the individual breach;
- this confidentiality regime shall apply to all other documents designated by one of the parties as confidential in these proceedings, without prejudice to the right of the other parties to challenge the confidential nature of the same documents;
- there is no need to adjudicate on Defendants' application pursuant to rule 262.2 RoP;
- the Court grants Claimant an extension of the deadline to file its Reply to the statement of defence, Defence to the counterclaim for revocation and Application to amend the patent, with the two months term starting from date of issuance of this order; Defence to the Counterclaim for revocation, Reply to the Statement of defence and Application to amend the patent are therefore expected by 28.6.2025.

This order may be subject to an application for review by the panel within 15 days of service the order itself, under rule 333 RoP.

Milan, 28 April 2025.

Pierluigi Perrotti
presiding judge and judge rapporteur

Pierluigi Perrotti Firmato digitalmente da Pierluigi Perrotti
Data: [REDACTED]