

Italy

Contributing firm
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1. Legal framework

National

The Italian regulations governing the protection of industrial property rights were consolidated into the Industrial Property Code (Law Decree 30/2005), which also brought together and revised the regulations on trademarks already contained in the Trademark Law (Royal Decree 929/1942 and subsequent modifications thereto).

The Industrial Property Code was reformed by Legislative Decree 131/2010, enacted on September 2 2010.

The Industrial Property Code does not consolidate the law governing copyright. This continues to be governed by Law 633/1941.

International

Italy is party to a number of international treaties regarding trademark law, such as:

- the Paris Convention for the Protection of Industrial Property (1883);
- the Madrid Agreement and Protocol on the International Registration of Marks (1989);
- the Nice Agreement on the International Classification of goods and services; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

As Italy is a member state of the European Union, the EU Community Trademark Regulation (207/2009) applies.

2. Unregistered marks

Protection

The Industrial Property Code foresees the existence of untitled IP rights, among which unregistered trademarks are included. Italian case law follows the key principles governing registered trademarks for the assessment of cases involving unregistered trademarks.

Registered and unregistered trademarks are thus protected in a very similar way as far as their use is concerned. However, unregistered trademarks:

- do not benefit from the presumption of validity enjoyed by registered trademarks;
- can be enforced only against competitors (pursuant to Articles 2598 *et seq* of the Civil

Code); and

- cannot take advantage of some of the forms of protection provided for by criminal law.

Unregistered trademarks that are well known in Italy may also enjoy the protection provided for under Article 6*bis* of the Paris Convention; such protection may extend also to dissimilar goods and services.

Lastly, an unregistered mark that is known only locally may still continue to be used locally in spite of the subsequent registration by a third party of an identical or similar mark. However, this prior local use does not affect the validity of the later registration by the third party.

Use requirements

There is no specific definition of how much use is required for establishing unregistered rights. However, use of the sign must be effective and continuous. Moreover, in case of alleged infringement, if the prior use (by the alleged infringer) is merely local, the alleged infringer may continue to use its trademark, but only within the same local scope. As discussed above, this does not affect the validity of the trademark registration being enforced against it. If, however, the prior use is more than merely local, the alleged infringer may counterclaim for invalidity of the registration being enforced against it.

3. Registered marks

According to Article 19 of the Industrial Property Code, any natural or legal entity may file applications for trademarks that are already used and/or are intended to be used either directly by the applicant or by third parties with the applicant's consent.

A representative of the rights holder requires a power of attorney before filing; however, this power of attorney need not be notarised or legalised.

Scope of protection

In general, any sign that can be reproduced graphically (words – including personal names – designs, letters, numeral, sounds, the shape

of the goods or of their packaging, colour combinations or tonalities) can be registered as trademarks, provided that they are capable of distinguishing goods and services, and that they are neither generic nor merely descriptive.

The Industrial Property Code provides that the following cannot be protected as trademarks:

- signs that do not satisfy the basic requirements of graphic representation and distinctiveness;
- signs that are contrary to law, public policy or accepted principles of morality;
- signs that are deceptive as to their geographical origin, their characteristics and quality of goods and services;
- signs that are descriptive, that have become customary in the current language or in the established practice of the trade, that are commonly used or that are functional;
- signs or indications that may serve to designate the kind, quality, quantity, intended purpose, value, geographical origin or time of production of goods and rendering of services and other characteristics of the goods or services;
- signs that were filed in bad faith; and
- signs that conflict with prior rights to the point of giving rise to confusion among the public.

4. Procedures

Examination

All trademark applications, together with the relevant documentation, must be filed with the Italian Patent and Trademark Office (IPTO) or with the various chambers of commerce. In 2006 an e-filing system was implemented.

Once the application is filed, the IPTO will examine it for compliance with the formal requirements and on absolute grounds.

After examination of the application, if no opposition is filed and the *ex officio* examination raises no objections, the trademark will be registered.

Alternatively, if the IPTO rejects the application, the proceedings will be halted and the applicant will be notified accordingly. The

applicant has at least two months from such a notification to submit arguments in support of the application. After examining these arguments, the IPTO will decide whether or not to reject the application, either in whole or in part.

Opposition

The Industrial Property Code expressly provides for an opposition system for trademarks; this system officially came into force in 2010 with the implementation of Decree 33/2010. However, in practice the procedure cannot be used yet for a variety of reasons, including the following:

- Bulletins for the publication of Italian applications have not been issued;
- The official fees have not been established;
- The forms for filing a petition have not been created; and
- The examiners' training has not been completed.

The term of opposition is three months from the publication date in the *Trademark Gazette*. The only difference between an opposition to a national and an international trademark application is that the term for an international registration is of three months from the first day of the month following the publication of the mark in the World Intellectual Property Organisation (WIPO) *Gazette*. The opposition term is not extendable.

The trademark opposition can be filed in person at the opposition authority, by mail or online.

The opponent must pay the opposition fee and supply:

- the identification of the prior rights, as well as the goods and services on which the opposition is based;
- the grounds for opposition; and
- the identification of the trademark application against which the opposition is lodged (in particular, data on the applicant, the application number and date, and the relevant products/services against which the opposition is filed).

All the documents required must be translated or filed in Italian.

An opposition may be filed in Italy by the owner or exclusive licensee of a prior trademark registration or application only against an identical or similar trademark in respect of the same or similar goods or services.

Moreover, oppositions may be filed by the persons, entities and associations mentioned in Article 8 of the Industrial Property Code. That provision regulates the registration as trademarks of names or signs corresponding to or including names, portraits and well-known signs.

Prior rights such as unregistered trademarks, company names or domain names cannot be enforced in opposition proceedings; however, they may be claimed in an invalidation action before the courts. Claims of extended protection for well-known or famous marks can also be enforced through invalidation proceedings.

In such proceedings, the parties will have a period of two months (extendable by mutual consent of the parties) to reach an agreement. After this period, if the parties have not reached an agreement, they will enter the hearing stage, where all parties can submit their arguments and observations, as well as evidence in support of their arguments.

The IPTO will then evaluate the documents submitted and arguments raised by both parties and decide whether to uphold the opposition, thus rejecting the application in whole or in part, or to dismiss the opposition and accept the application. In the case of an international registration, the IPTO will inform WIPO of its decision.

The IPTO's decision may be appealed through an administrative appeal within 30 days.

Registration

If a trademark application is deemed to comply with the registration requirements and no oppositions are raised, the IPTO will grant registration.

A trademark is valid for 10 years from the filing date and may be renewed for subsequent 10-year periods thereafter. If renewal is not requested within the specified period, the trademark can still be renewed up to six months later, upon payment of a fine.

Removal from register

Surrender: A rights holder has the right to interrupt the effects of registration before the 10-year term of validity expires by relinquishing the trademark.

Revocation: If the mark is not effectively used for five consecutive years, the registration may be cancelled unless there exist legitimate reasons for non-use.

Invalidation: Once the registration has been granted, claims seeking the invalidation of a trademark must be filed and will be dealt with by the specialised court divisions. Registration does not preclude the possibility of taking judicial action over the validity or ownership of the trademark.

Timeframe

It usually takes three or four years to obtain a trademark registration, although protection runs from the filing date.

Three years is also the average delay for the grant of the certificate of renewal of a former registration; the effects of the renewal start from the filing date of the relevant application.

No clear timeframe estimate can be provided for opposition proceedings.

The recordal of a change of name, merger, assignment or transfer of a mark takes up to four years, with the underlying effects running from the filing date of the relevant application.

Searches

The IPTO offers a limited number of searches (anteriority, identity, per class and for all classes) that are of use for the purpose of applying for a trademark registration. There is no cost involved, but all searches must be carried out by the applicants themselves on the IPTO's database.

The database does not contain information on graphic elements. Therefore, applicants have to carry out any search other than a word search on private databases.

5. Enforcement

Two important changes in the past few years have modified the enforcement of intellectual property in Italy. In 2003 specialised IP courts for civil proceeding were created and in 2005

the Industrial Property Code was enacted. The introduction of specialised court sections has significantly improved the enforcement of IP rights; generally the new courts ensure increased rapidity and efficacy of proceedings. The Industrial Property Code abrogated and reorganised all previous IP legislation, including the old Trademark Law. As mentioned in section 1 above, the code was recently modified by Decree 131/2010 – a corrective law that updated the code's tests and harmonised national regulations with EU and international rules.

Administrative proceedings

The Industrial Property Code regulates opposition proceedings against national applications and the Italian portion of an international trademark. According to Articles 174 *et seq* of the code, the IPTO is competent to evaluate and, consequently, to admit or reject the opposition. All IPTO decisions relating to the registration of a trademark, as well as to the admissibility of an opposition, are subject to appeal. Article 184 of the code provides that a ministerial decree shall bring into force the provision governing the opposition procedure; such decree was issued on January 13 2010 (Decree 33/2010). (However, as discussed in section 4 above, the opposition procedure is as yet not in place.)

Civil proceedings

According to the Italian civil legal system, it is possible to file a trademark invalidity action and infringement action even if the registration is still pending. Nevertheless, according to Article 120 of the Industrial Property Code, a judgement shall be issued only after the IPTO has decided upon the application, which has to be examined with priority over other applications. In such a case, the judge, upon consideration of the circumstances, may repeatedly stay the proceedings.

Generally the IP courts may grant the following remedies:

- declaration of invalidity of the trademark;
- provisional and permanent relief (eg, seizure, description or injunction);
- removal and destruction of infringing materials;
- prohibition of further use establishing a

penalty for any further violation or non observance;

- disclosure of documents and information in connection with the origin of the infringed products or about any third party involved in the infringement;
- payment of damages;
- publication of the judgement; and/or
- reimbursement of legal costs.

The time limit for the holder of a prior right to bring an action against a later-filed trademark is governed by Article 28 of the Industrial Property Code, pursuant to which the holder of either an earlier trademark or a right deriving from prior use of a trademark with a reputation of more than merely local significance, which, for a period of five consecutive years, acquiesced to the use of an identical or similar later-registered trademark, while being aware of such use, may not claim invalidity of the later trademark. Further, such rights holders cannot oppose the use of the later trademark for goods or services on the basis of their earlier trademark or their rights derived from prior use, unless the registration was applied for in bad faith. Conversely, the holder of the later trademark may oppose neither the use of the earlier mark nor the continuation of such prior use.

The Italian system does not provide for any kind of punitive damages.

Under Article 125 of the Industrial Property Code, compensation for damages shall be quantified in conformity with the general principles of Italian civil law. In particular, damages owed to the aggrieved party shall be assessed by the judge, taking into account all relevant factors, as well as the negative financial consequences, including the loss of profits by the owner of the injured right and the infringer's unlawful profits.

In some cases, the judge shall also consider other, non-financial elements and, in particular, moral damages. The court may also use equitable criteria on the basis of the actions in the case and the presumptions inferred therefrom.

In any case, the owner of the violated right may ask for the restitution of any unfair profit gained by the infringer, either as an alternative to the refund of the loss of profits or to the

extent that the unfair profit exceeds such reparation. This latter option was introduced by Legislative Decree 140/2006.

Criminal proceedings

IP crimes are defined in various provisions of the Criminal Code, including:

- Article 473, which concerns counterfeiting and provides for a period of imprisonment of between six months and three years and a fine of between €2,500 (about \$3,460) and €25,000 (about \$34,640);
- Article 474, which provides for imprisonment of between one and four years and a fine of between €3,500 and €35,000 for the importation of products bearing counterfeit trademarks into Italy, and imprisonment of up to two years and a fine of up to €20,000 for introducing such marks onto the market;
- Article 517, which provides for imprisonment for up to two years and a fine of €20,000 for the sale of industrial products with misleading information; and
- Article 517ter, which introduced a new prohibition on the fabrication or industrial use of objects or goods produced by usurping or infringing an industrial property right. This provision preserves the application of Articles 473 and 474. The second paragraph prohibits the introduction into Italy, the holding or placing for sale with a direct offer to consumers, or otherwise placing into circulation, of these goods for the purpose of profit. The penalty is the same as that envisaged by Article 517 – namely imprisonment for up to two years and a fine of €20,000.

Border measures

In 2004 the customs authorities developed and made available a state-of-the-art multimedia system called FALSTAFF that aims to involve enterprises and owners of industrial property rights in the fight against counterfeiting.

Through FALSTAFF, owners of industrial property rights can easily access an online database and directly file requests for customs protection.

The requests must be accompanied by:

- a company form;
- a product form highlighting the technical features to be protected; and
- any reports of suspected cases of counterfeiting.

This information is fed into the database and compared with the declarations accompanying shipments of goods passing through Customs, which are acquired by the system in real time.

At this point a technical process is activated which is based on comparing information already acquired with new feedback, pinpointing risk analysis and consequently the probabilities that the shipment of goods is effectively counterfeit.

The FALSTAFF system is considerably more efficient than the previous system. Because the system is online and continually updated by rights holders, customs operators can easily consult all the information required to identify counterfeit goods.

Timeframe

Thanks to various amendments to the Italian Civil Procedure Code and the creation of specialised IP courts, the efficiency of civil litigation in Italy seems to be improving, even if it may still take up two to three years for a decision to be issued. In any event, the timeframe depends on the particular court involved.

However, the Italian system has always offered a wide range of interim measures that are effective and obtainable quickly: description, seizure, injunction and other measures suitable to provide relief until the decision on the merits is issued (Article 700 of the Code of Civil Procedure).

Under Article 132 of the Industrial Property Code, recently amended by Decree 131/2010, while granting an interim measure the judge can set a deadline for the commencement of the relevant ordinary proceedings. In the absence of such an order, the deadline for starting the ordinary action is 20 working days or 31 calendar days either from the issuance date if issued during the hearing, or from the date of its communication to the parties. If the parties decide not to start ordinary proceedings, the provisional measure loses effect.

As expressly established by Article 132 the measures that anticipate the effects of the action on the merits, such as in injunction to refrain from manufacturing and an order to withdraw definitely a product from the market, do not lose effect if the relevant ordinary proceedings are not commenced by the parties.

6. Ownership changes and rights transfers

Assignment

There is no requirement to legalise documents in Italy. The rights holder may transfer the trademark for all or some of the goods or services for which it is registered. The transfer of a registered trademark is, upon request, recorded on the Trademark Register maintained by the IPTO. Italian law does not require any special document for the assignment to be valid; the assignment would, theoretically, not even need to be in writing. However, a written document is necessary to proceed with the recordal on the trademark register.

For recordal purposes, it is possible to file either a simple declaration, executed by the parties, stating that the trademark registration has been transferred, or a deed of assignment duly notarised. In both cases, fiscal registration is needed.

Documents from other jurisdictions proving changes of ownership must be legalised and sworn Italian translations must be submitted.

Licensing

Trademarks can be licensed for all or some of the goods and services. The licence agreements can be exclusive or non-exclusive. There are no formalities with respect to licences. A licence can be recorded on the Trademark Register, but this is not compulsory. Use of a trademark by a licensee is deemed to constitute use by the owner for the purpose of use requirement.

7. Related rights

There are certain areas of overlap between trademarks and other IP rights. For example,

copyright may be used to protect trademarks in advertising slogans that have artistic merit. A logo may be protected as a trademark, copyright or design. The shape of the product or of its packaging may be protected as a three-dimensional trademark or a design.

Even under the new code, it is not possible to register or adopt as a trademark:

- a shape that results from the nature of the goods themselves (the so-called necessary shape);
- the shape of goods that is necessary to obtain a technical result (the so-called functional shape), which could be patented as an invention or utility model; and
- the shape that gives substantial value to the goods (the so-called ornamental shape) whose aesthetic features determine the consumer's decision to buy the product. The sign would thus no longer perform the typically distinguishing function of a trademark; rather it would have an independent aesthetic value that would be decisive in attracting consumers and sufficient to lend the product a considerable competitive advantage.

In the case of design products, the law provides for cumulative protection as a registered design and as a three-dimensional mark. Italian case law underlines that the two protective instruments – designs and trademarks – perform different functions and offer different scopes of protection (such protection being more extensive in the case of trademarks).

Furthermore, device marks that have a creative and artistic character are protected under copyright law.

8. Online issues

The new Industrial Property Code expressly prohibits the use of a sign that is identical or similar to a third-party's trademark as a domain name if, due to the identity or similarity between the activities of the holders of such signs and between the products and services for which the trademark has been adopted, this may:

- give rise to a likelihood of confusion on the

part of the public, which may consist of a likelihood of association between the two signs in the mind of consumers;

- allow the domain name user to take unfair advantage of the distinctive character or of the reputation of the trademark; or
- be detrimental to the trademark.

The judicial authority is therefore entitled provisionally to order, in addition to the injunction enjoining the use of an unlawfully registered domain name, the provisional transfer of that name by making it conditional on the filing of an adequate bond by the beneficiary of the measure, if deemed appropriate.

The party alleging to be damaged by the use of a domain name by a third party is free to choose whether to bring a legal action before a judicial authority or to initiate a dispute resolution procedure before a designated service provider.

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INTELLECTUAL PROPERTY

Unregistered rights Protection for unregistered rights?	✓
Specific/increased protection for well-known marks?	✓
Examination/registration Representative requires a power of attorney when filing? Legalised/notarised?	✓ / ✗
Examination for relative grounds for refusal based on earlier rights?	✗
Registrable unconventional marks	3-D, colours, smells, sounds ✓
Opposition Opposition procedure available? Term from publication?	3 months ✓
Removal from register Can a registration be removed for non-use? Term and start date?	5 years' non-use from registration date ✓
Are proceedings available to remove a mark that has become generic?	✓
Are proceedings available to remove a mark that was incorrectly registered?	✓
Enforcement Specialist IP/trademark court?	✓
Punitive damages available?	✗
Interim injunctions available? Time limit?	✓
Ownership changes Is registration mandatory for assignment/licensing documents?	✗
Online issues National anti-cybersquatting provisions?	✓
National alternative dispute resolution policy for local ccTLD available?	itDRP ✓