

Italy

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1. Legal framework

National

The following legislation governs trademarks at national level:

- the Intellectual Property Code (Legislative Decree 30/2005, which entered into force on March 19 2005);
- Article 2598 of the Civil Code, which sets out legal provisions for unfair competition; and
- Articles 473, 474 and 517 of the Criminal Code.

The applicable legislation at EU and international level is as follows:

- the Paris Convention for the Protection of Industrial Property Rights;
- the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (January 1 1995);
- the EU First Trademark Directive (89/104/EEC);
- Council Regulation 2081/92 on the protection of geographical indications and denominations of origin of agricultural goods and foodstuffs;
- the EU Community Trademark Regulation (40/94);
- Council Regulation 2868/95 on the enforcement of the Community trademark;
- Council Regulation 3295/94 providing for measures aimed at prohibiting the trade and exportation of infringing goods;
- the Madrid Agreement on the International Registration of Marks (June 12 1925; Stockholm, September 19 1970);
- the Madrid Protocol (March 20 1996);
- the Nice Agreement on the International Classification of Goods and Services, Ninth Edition (2006);
- the Lisbon Agreement on the Protection of Appellations of Origin and their International Registration; and
- Council Regulation 1383/03 on customs applications for border detentions.

2. Unregistered marks

Unregistered trademark owners can claim prior exclusive rights if their trademark has been used effectively and continuously and has acquired distinctiveness for the relevant consumer group. The use must also exist in a number of regions in Italy or nationwide.

To bring a successful action against the owner of a later registered trademark, the owner of an unregistered trademark will need to prove that either:

- consumers are confused as to the source of the product or service; or
- there is a risk of confusion, including association, between the products and services of the earlier trademark owner and those of the later trademark owner.

The unregistered owner should bring evidence of its use and reputation through the production of catalogues, brochures, etiquettes, labels, website use or even survey evidence.

Analogous protection exists for business names, company names and domain names, based on similar principles.

Use must be effective and continuous. Use in advertising and promotional activities is usually sufficient if it allows consumers to become familiar with the sign and to associate it with the relevant goods or services. This evidence will need to be produced in court. In order to bring an action against a later registered trademark, the unregistered trademark owner will have to demonstrate that it has national reputation or at least a reputation in various regions of Italy. Nevertheless, use in a limited geographical area only will entitle the unregistered trademark owner to continue this limited use, notwithstanding the presence of a later registered trademark.

3. Registered marks

Ownership

Article 19(1) of the IP Code states that anyone who uses or intends to use a mark in the manufacture or sale of their products or the supply of services, for their own business or a subsidiary business, can apply for and own a trademark. This also includes businesses authorized to do so by the trademark owner. An application to register a trademark must not be made in bad faith (Article 19(2)). Applications may also be made by public administrative bodies (Article 19(3)).

Article 3 provides for recognition of foreign applicants.

Requirements for protection

In accordance with the IP Code, any sign capable of graphic representation and of distinguishing the goods or services can be registered as a trademark. This may include words, names, drawings, letters, numbers, sounds, shapes of products and their packaging and colour combinations.

The rule is that the trademark must be:

- capable of distinguishing the goods and services covered;
- novel (ie, not owned by third parties); and
- lawful insofar as it is not contrary to public order and good morals.

Generic or descriptive terms are best avoided as they may render the trademark void.

There are many reasons why a trademark might not be protected, but the key reasons are that:

- it is devoid of distinctive character;
- it is contrary to public order or good morals;
- it is deceptive or generic or was applied for in bad faith;
- it consists exclusively of the shape of the goods as required by the very nature of the goods;

- it is necessary to achieve a technical result; or
- it gives substantial value to the goods.

Finally, protected emblems will be refused.

4. Procedures

Examination

The Italian Patents and Trademarks Office (UIBM) carries out only a formal examination to ensure that filing requirements are complied with and an examination of the mark on absolute grounds. No examination on relative grounds is conducted.

As the UIBM does not carry out clearance searches, where possible applicants should carry out a prior search before filing or launch of the mark on the market to avoid a risk of legal action from earlier rights holders. Applications are filed before the UIBM and through local chambers of commerce located in major Italian cities.

Opposition

The IP Code provides for third parties to oppose a trademark application within two months of publication of the trademark. The procedure is not yet operational in Italy as the implementing regulations have not yet been passed; it is expected to be operational in the future.

For the time being the only remedy available to revoke or invalidate a trademark registration is through court proceedings.

Registration

Upon registration, the trademark owner acquires the right to exclusive use of the sign. It can prohibit unauthorized third parties from using:

- identical signs for identical goods or services;
- identical or similar signs for identical goods or services if this is likely to create a risk of confusion or a risk of association in the mind of consumers; and

- identical or similar signs for dissimilar goods or services if the registered trademark is well known in Italy and use by the third party allows the user to take undue advantage of distinctive character or reputation of the trademark, or is prejudicial to the trademark.

The duration of the right is 10 years from filing, with the possibility of renewing the registration for consecutive 10-year periods.

All registrations are entered in a public register.

Removal from register

Surrender: A trademark owner may withdraw the trademark from the register while it is still a pending application or once the registration is valid and effective.

Invalidation: Any claims seeking nullification or invalidation of a trademark must be filed before the specialist IP courts.

If registration is granted to someone other than the legally entitled party, that party may seek either a transfer of the registration or invalidation of the registration before the courts.

The term for revocation (or cancellation) for non-use commences five years from registration if the trademark owner (or the authorized third party) does not make effective use of the registered sign. In other words, a third party can bring an action to cancel a trademark if the mark has not been used for the products or services for which it was registered in the five years following the mark's registration, or for any continuous five-year period thereafter.

However, if use of the mark is started or resumed even after the expiry of the five-year period and before the cancellation claim is filed, this will suffice to prevent the third-party cancellation claim. If, however, this resumption

commences within the three months prior to the filing of the cancellation claim, it will not be taken into account.

In some cases, relatively minimal amounts of use can suffice to maintain a trademark on the register and prevent cancellation.

Timeframes

The timeframe from filing to registration is often as long as two to three years, and similarly renewal may take equally as long. The filing of a change of name can also take two to three years before recordal.

Searches

The UIBM does not conduct a search during examination of the application. Generally, practitioners will subscribe to third-party private databases which provide a relatively reliable picture of what is on the register.

5. Enforcement

Thanks to the creation of 12 specialist IP courts, trademark enforcement is on the whole more efficient than in the past. The specialist courts are in Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Trieste and Venice.

Enforcement is available for both registered and unregistered trademarks. While registrations benefit from a *prima facie* presumption of validity, rights held in an unregistered trademark must be proven before the court.

Interim proceedings

A trademark proprietor can initiate interlocutory proceedings to obtain expedited remedies; an order granting urgent measures (search and seizure) may take from a number of days (if *ex parte*) to approximately eight weeks from the filing of a petition, depending upon

the complexity of the issues at stake. The prerequisites for bringing an interim action are that:

- there is *prima facie* evidence to show that the petitioner's IP right is valid and has been infringed by the defendant; and
- there is urgency – that is, if the petitioner had to wait, it would suffer serious and irreparable harm.

The decision is usually taken by a single judge. If appealed, it will go to a panel of three judges. If the order is granted, the rights holder may still be obliged to commence substantive proceedings within 60 days.

Substantive proceedings

In accordance with ordinary Italian civil law procedural rules, trademark infringement proceedings commence with the filing of a writ of summons by the plaintiff before the court. The defendant will have a set term within which to reply filing its written defence. Following a first hearing to identify preliminary issues, there will be a set term for a further exchange of briefs. Thereafter, a second hearing takes place to discuss the evidence submitted by the parties. A third hearing may take place if there are outstanding issues, failing which a final hearing will be scheduled for the submission of final briefs. After the filing of the final briefs, the judge will issue a written decision.

Unlike the discovery procedures used in common law systems, in the Italian civil system the judge relies mainly on documentary evidence, although oral testimony can be heard upon authorization from the court.

Ordinary litigation proceedings for trademark cases generally take two to three years.

Remedies

The following remedies are available in civil proceedings:

- a preliminary seizure of infringing trademarks, packaging and materials;
- a preliminary or final injunction against manufacture, trade or use of the infringing trademark;
- an order for destruction of the infringing goods;
- a declaration of nullity or invalidation (cancellation);
- publication of the court's decision in the press; and
- damages.

Damages are usually based on either a calculation of the infringer's unlawful profits, a reasonable royalty assessment or the rights holder's lost profits. No punitive damages are available.

The following criminal provisions apply to trademarks:

- infringement and unauthorized use of trademarks (Article 473 of the Criminal Code);
- importation of infringing products and goods (Article 474 of the Criminal Code);
- sale of industrial products bearing misleading signs (Article 517 of the Criminal Code); and
- general provisions under Article 127 of the IP Code.

The following penalties apply:

- two types of fine:
 - a fine against anyone who manufactures, trades, exhibits or imports goods infringing IP rights; and
 - an administrative fine for anyone who uses a misleading sign or who uses an invalid or unlawful trademark;
- imprisonment of up to three years; and
- publication of the court decision in the press.

The EU IP Rights Enforcement Directive, introduced as Articles 144 and 144*bis* of the IP Code, also provides for anti-piracy provisions which apply when there is

evidence of intentional and systematic infringement occurring.

Border measures

Council Regulation 1383/03 sets out provisions on the border detention of infringing and unlawful goods.

Timeframe

On average, preliminary seizure and injunction proceedings take approximately three to six months.

In some cases substantive proceedings must be commenced within 60 days of the decision granting a preliminary injunction and can take approximately two years.

6. Ownership changes – legalization requirements

Italian law provides for the assignment of a trademark with or without the transfer of the business. As a consequence, a trademark may be assigned in Italy with or without goodwill. This is the case for all or part of the goods or services for which the mark is registered. Finally, there is no requirement for other business assets to be assigned at the same time to make the assignment valid.

Assignment agreements should be recorded with the UIBM to ensure validity as against third parties. An application for recordal of an assignment is lodged with the original assignment agreement or a certified copy of the same after the assignment document has been entered on the Public Register by a notary.

Where the application is filed by a third party, including the authorized agent, a power of attorney will be required.

7. Areas of overlap with related rights

Trademark rights and design rights may overlap, for instance in the case of three-dimensional trademarks, where designs can also benefit from protection as a registered trademark, thus ensuring perpetual protection. Trademark and unfair competition rights can also overlap and are often invoked together in order to strengthen the plaintiff's case.

There may also be some overlap between trademark and copyright protection where creative or artistic aspects are at issue, particularly in the case of figurative or sound marks.

8. Online issues

Domain names

The same trademark principles apply to domain names as to any other unauthorized use of a trademark. Therefore, the law prevents unauthorized use of a domain name where its adoption:

- can give rise to confusion or a risk of association in the mind of the consumer with the earlier trademark; or
- results in the domain name user taking unfair advantage of the distinctive character or reputation of the trademark, or is prejudicial to the trademark.

The court may order that the defendant refrain from using a domain name. It is also possible to obtain, through urgent remedies, an order for temporary assignment of a domain name.

Metatags

Italian case law has held the use of metatags which reproduce a trademark to be in breach of unfair competition rules (rather than trademark law, in the absence of any capacity to distinguish).