

Italy jurisdiction report: When it's not 'made in Italy'

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Since 2003, the national legislator has dictated specific sanctions against the use of “made in Italy” and any other signs or pictures, including trademarks, which may lead consumers to infer an Italian origin of a product when it is not Italian. References have been made to the Italian flag and pictures of famous monuments (the Roman Colosseum, the cathedral and tower of Florence, etc).

The background of this legislative evolution is that during the last decades the most industrialised countries have faced competition from emerging economies. Here production is less expensive thanks to many well known factors including a lower degree of bureaucracy, low salaries and, in the worst-case scenario, blatant labour exploitation, including child labour.

The reaction of many Italian companies has been to move abroad the whole productive process or a part of the same; this is the so-called “delocalisation”. However, they continued to use signs recalling Italy, or even saying “made in Italy”, in contravention of the new rules.

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Consequently, significant case law has developed along the years, covering numerous cases including leather wallets with the picture of famous Italian monuments, Chinese drying racks bearing the Italian flag and the indication “prodotto di qualità testato a norma Europea” (“quality goods tested in accordance with European laws”), and Chinese guitars and ukuleles with the expression “Italy design” in the trademark.

Over the years the rules have been amended and new rules have been implemented in order to deal with this ever-changing panorama. The legislative landscape is complex, and the intervention of the Supreme Court (Corte di Cassazione) is often necessary.

An interesting recap can be found in a decision of the end of 2016, regarding the importation from China of hundreds of music instruments (guitars and ukuleles), with a packaging featuring the expression “Italia design” inside the trademark, as well as the Italian flag. The goods did not contain any indication attesting to their foreign origin.

Wrong labels

In accordance with the Supreme Court’s interpretation, the law covers four different categories of misleading indications of origin.

First, the stamping of a label with the expression “made in Italy” on products not originating from Italy in accordance with the EU’s Union Customs Code (UCC). This case amounts to a so-called false indication and is subject to a criminal sanction, ie, up to two years of imprisonment and a penalty up to €20,000 (\$24,660).

Second, the use of expressions such as “100% made in Italy”, “100% Italia”, “tutto Italiano” or “full made in Italy”, to indicate goods not fully designed, processed and packed in Italy; this crime involves the criminal sanction of the first case increased by a third (up to €26,666).

Third, the use of signs, pictures and whatever indication (including trademarks) which brings the consumer to believe that the product is of Italian origin, whether or not the indication of foreign origin of the goods is reported. This is a case of deceptive indication, subject to a criminal sanction, ie, up to two years of imprisonment and a penalty of up to €20,000.

Last, the deceptive use of trademarks which brings the consumer to believe that the product is of Italian origin in accordance with the UCC, unless there are evident indications of their foreign origin or provenance. This is a particular example of deceptive indication of origin and, contrary to the general rule, it is not subject to a criminal penalty but to an administrative sanction, which may vary from €10,000 to €250,000.

According to the Supreme Court, the ukulele case belonged to the category of criminal deceptive indication because the indication of the real origin of the goods was missing, and there were various references to Italy, including the Italian flag and the expression “made in Italy” on the strings (although the latter was not false in itself).

Summing up, assessment of the use of signs is a potential clue of the Italian origin of the goods imported into (or exported from) Italy and must be deeply scrutinised taking into consideration all the relevant aspects, on a case-by-case basis.

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