

Italy

Bugnion SpA

Enforcement in Italy: legal peculiarities and effectiveness of IP protection

There are advantages to protecting IP rights in Italy, including the possibility of starting legal action before registration has been granted in one of the 22 specialised courts across the country

There are two main advantages to consider when starting a legal action to protect IP rights in Italy:

- the possibility of starting a legal action before registration has been granted; and
- the fact that IP rights are discussed in specialised courts whose case law is well known (and predictable).

According to Article 120 of the IP Code, it is possible to claim provisional remedies (eg, injunctions, seizures and descriptions) or to begin an ordinary proceeding against the infringement. This can also be done before the IP right has been granted; however, in such an event, the court will suspend the trial to issue the final judgment until the IP right has been registered.

There are 22 specialised courts across the territory. Their competence is based on:

- the place in which the defendant has its residence or domicile or, if unknown, its place of abode;
- when the defendant has no residence, domicile or place of abode in the territory, actions will be brought before the judicial authority of the place in which the plaintiff has its residence or domicile;
- if neither the plaintiff nor the defendant has its residence, domicile or place of abode in the territory, jurisdiction will lie with the judicial authority of Rome; and
- in case the defendant is cited because of an IP right, the domicile indicated in the application or registration of the right will be considered as a valid election of exclusive domicile.

The competent court can also be chosen based on where the infringement took place.

Forum shopping is a possibility for plaintiffs and complainants. The best theoretical opportunities should be sought

based on the history and tradition of the various courts.

Provisional remedies

The Italian courts are keen on issuing provisional remedies, such as:

- description – a descriptive activity of the goods or the trade activity of the infringer, as well as accounting documents aimed at acquiring proof of infringement and the extent to which it can be used in later phases of the judgment;
- seizure – the confiscation of goods and advertising materials which constitute the infringement; and
- injunction – an order to the infringer to cease to place on the market and advertise the contested goods, often obliging the infringer to withdraw the already distributed infringed goods and advertising materials from the market.

These provisional remedies are easily issued if the following requirements are fulfilled:

- *fumus boni iuri* – which consists of the possibility or presumption, at the time of the request, that the complainant is the actual holder of an IP right, which can be an application, a registered right or an unregistered right; and
- *periculum in mora* – which consists of the real and concrete risk that in waiting for the final decision of the court the complainant will suffer serious and irreparable damages which will be difficult to compensate later.

In most cases the issuance of a provisional remedy will push the parties to reach a settlement agreement in which the infringer normally recognises the validity of the complainant's IP right, agrees to stop the unlawful behaviour and reimburses the legal costs and part of the damages. This is reinforced if the description of the accounting documents is obtained, as this allows the owner of the infringed right to become aware of the volume of business surrounding the infringing act.

The average timeframe for a preliminary injunction proceeding is two months. Preliminary injunctions can be a powerful tool to shorten the solution of an act of infringement without starting a trial, which will be more than two months.

In a recent case before the Court of Florence, the complaint had been filed by a well-known women's clothing company, which sells its products using fabric designed and produced only for that company. The complainant had its original and unique fabric protected by an EU Community design.

Having noticed that the same fabric and design was used for dresses in a competing product line, the complainant filed an urgent measure against the company under whose trademark the clothing was being sold, as well as the company distributing and selling the clothing and the related producer.

The complainant proved that:

- it owned the EU Community design application for the fabric design;



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- it had presented the collection using that specific fabric some months earlier;
- the dresses had been in the shops for a number of weeks; and
- the defendants produced ready-made fashion.

The court issued *inaudita altera parte* a seizure and injunction order. After upholding the complainant's grievances, the court ordered the defendants to cease production and stop selling and marketing the contested products. Thanks to the description of the accounting documents, the court ordered that compensation be paid for the damage suffered and that the decision be published in newspapers of the complainant's choosing at the defendants' cost.

The court grounded its decision based on the circumstance that not only was the complainant's fabric protected by the EU Community design application, but the defendants had, without registration, used the same registered fabric and sold and marketed dresses with an identical shape, design and unique features. The court based its decision on unregistered designs after having ascertained that the complainant had proved the requirements of novelty and individual character, as well as the fact that the complainant's products were already on the market.

In a provisional remedy case issued by the Court of Rome, the complainant brought a famous trademark used to market mineral water in certain areas of Italy. The water had been sold and advertised under a specific registered trademark, as well as with a peculiar label with a specific design and combination of colours and words. When the complainant discovered that a competitor had begun to produce, sell and advertise water using a similar trademark and label, with the same colours, design and characteristic lettering, the trademark owner filed a provisional remedy request.

Having proved ownership of the trademark and its continuous use in combination with the specific label, as well as the concrete risk of confusion (a circumstance that was directly confirmed by some customers who informed the complainant that they had purchased the other water by mistake), the court issued



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the preliminary injunction and ordered the seizure of the contested products.

The decision referred not to the infringement of the trademark, but to unfair competition as the contested label reproduced all relevant and characteristic elements of the complainant's label, which was well known by distributors and customers.

The court ordered the defendants to pay a fine in case they failed to fulfil the order. The court also authorised the publication of the decision in newspapers of the complainant's choosing but at the cost of the defendants as initial reimbursement of damages.

Revocation for non-use

To claim a trademark's revocation for failure to use in Italy, it is necessary to commence a trial before the civil specialised courts. Lack of use must last for five years from registration of the trademark. The peculiarity of this proceeding is that the burden of proof is on the plaintiff. This comes from the general principle stated in Article 2697 of the Civil Code, which establishes that "anyone who objects to the ineffectiveness of such facts or claims that the right has been modified or extinguished must prove the facts on which the exception is based". The rationale of the rule should be identified in consideration of the fact that there is usually a need to provide evidence of positive events. In the case of disqualification for non-use, the plaintiff must provide negative evidence.

According to a recent Court of Turin decision, proof can be based on simple presumptions (eg, evidence of significant and concordant circumstances) suitable to highlight such non-use. The trademark owner must contest the presumptive value of the proven elements from the plaintiff's filing documents to prove relevant use of the IP rights (so-called 'qualified use'). It would be considered insufficient to demonstrate only sporadic use (eg, the sale of a few products for a limited time). Conducting an investigation to prove lack of use of the contested trademark before sending a cease and desist letter and starting a trial should prove useful.

It is not necessary for the trademark to have lost its distinctive capacity through lack of use. The Supreme Court confirmed that, even if the trademark is remembered by the public, it can be declared revoked. The Supreme Court also confirmed that the renewal or re-deposit of the contested trademark or its re-use within three months from having become aware of any third-party intent to claim the revocation for non-use does not prevent a judgment for revocation for non-use.

Comment

The Italian system protects IP rights efficiently due to the legal framework, relatively low costs, well-structured courts and specialist judges. **WTR**