



National Group: **Italian Group**

Contributors: **Professor Cesare Galli, Dr. Monica Riva, Mr. Francesco Castagno, Mr. Gianluca De Cristofaro, Ms. Sonia Fodale, Ms. Marilena Garis, Ms. Michela Maggi, Mr. Francesco Rossi, Ms. Barbara Sartori, Mr. Marco Venturello, Mr. Stefano Vatti**

Study on the overall functioning of the Trade Mark System in Europe

QUESTIONNAIRE

1. Links between the CTM system and national trade mark systems

(1) Harmonisation of national trade mark systems

(a) Achievement of the TMD objective

- ***To what extent has the Trade Mark Directive achieved the objective of creating a single market by removing barriers to free movement and competition?***

In the opinion of the Italian Group of AIPPI the Trade Mark Directive (TMD) substantially achieved its goal of creating a single market by removing barriers to free movement and competition.

The current Italian discipline and case law is almost consistent with the principles set out by the European Court of Justice (ECJ) and the Court of First Instance (CFI).

(b) Need for further legislative harmonisation

(i) Within the scope of the TMD

- ***To what extent is there a need for further legislative approximation of Members States' national trade mark systems within the current scope of the TMD?***

The reply to this question should analyse whether there is a need for also harmonising elements which according to the TMD are left optional to the Member States, such as special absolute grounds for refusal or invalidity, or, grounds for refusal or invalidity concerning conflicts with earlier rights. Is there evidence that users of the trade mark system would benefit from further legislative approximation? This research should encompass literature review including case-law.

In the opinion of the Italian Group of AIPPI it would be useful to join further legislative approximation in the field of non-distinctive use and of deceptive use of trademarks.

Article 5 of TMD states that “paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without a due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark”.

It is the prevailing opinion of the Italian Group of AIPPI that a trademark should be protected even against the use of a sign in economic activity with a non-distinctive function, provided that said use gives rise to a mental association or link between the trademark and the sign which may damage the distinctive character or repute of the trademark, or allow the user to take unfair advantage of the distinctive character or repute of the trademark. In the Italian case law see for instance Court of Milan – Specialized IP Division, 16 January 2009, ruling that the famous trade mark Bulgari for luxury goods had been infringed by the use in the business activity of a pornographic actress (calendars, films and shows) of a *nom d’art* (Brigitta Bulgari), in that said use could give rise to improper exploitation of the renown of the trade mark and, at the same time, caused «*particularly serious harm to the prestige of a trade mark renowned for elegance, refinement and style*». It would therefore be advisable to further approximate the trademark systems on this point. Among the Italian scholars see on the same issue C. GALLI, *Scope of Trade Mark Protection and the «New» Trade Mark Infringement*, in *ECTA Gazette*, 2006.

Further approximation would also be advisable on the issue of deceptive use of the trademarks, also taking into account that the deceptive use of trademarks is already regulated in the EU Directive 97/55 on Comparative Advertising.

(ii) Beyond the scope of the TMD

- ***To what extent is there a need for further legislative approximation of Members States' national trade mark systems beyond the current scope of the TMD?***

The reply to this question should analyse whether there is a need for harmonising elements which are not covered by the TMD, such as other substantive issues like assignments and other elements of trade marks as objects of property, as well as issues such as classification of goods and services (e.g. the use of class headings and the consequences this has for examination and resolution of conflicts between trade marks), procedural issues such as the process of examination, oppositions and cancellations, as well as any other aspect of trade mark law and practice that users perceive in need of harmonisation. Is there evidence that users of the trade mark system would benefit from further legislative approximation? This research should encompass literature review including case-law.

Since in the actual economic framework many trademark transactions are cross-border, users of the trademark system should benefit from further legislative approximation in respect of assignments, licensing and securities. In this regard, in the opinion of the Italian Group of AIPPI a valid model is represented by the relevant provisions of Council Regulation 207/2009 on the Community Trademark (CTMR).

(c) Need for Trade Mark Offices' practices to become more consistent

- ***To what extent do stakeholders see a need for the Trade Mark Offices Practices becoming more consistent?***

The reply to this question should establish the main areas in respect of which the practices of the various Trade Mark Offices should be consistent and comparable within each of the Offices as well as the areas where the practices of the various Offices should be consistent and comparable with each other.

In the opinion of the Italian Group of AIPPI the harmonisation of national practices should be intensified in some cases:

- Recordal procedures
- Conversion of CTMs in national marks
- Restyling at the renewal moment

- ***How could the cooperation between the OHIM and National Trade Mark Offices be intensified to achieve a more transparent and consistent Office practice throughout the Community?***

In the opinion of the Italian Group of AIPPI cooperation between the OHIM and national trademark offices may be intensified through training and teaching activities held by the OHIM personnel in favour of national offices personnel.

(2) Relation between CTM system and national trade mark systems

(a) Nature of the relation

- ***How are the CTM system and national trade mark systems used by stakeholders?***

The reply to this question should in particular establish to what extent these interested parties see the nature of this relation characterised by complementarity and a (operational) notion of a balance.

In the opinion of the Italian Group of AIPPI the double system still matches stakeholders' needs and should be maintained.

The focus point is represented by the stakeholders' commercial interest in each single case: should it be concentrated in one or two member states, there will be no need to file a Community trademark, in this case the national filing would be more appropriate.

(b) Future role and mission of National Offices

- ***What should be the role and mission of national offices in the future?***

This question seeks recommendations as to how the role and mission of national offices should be defined in the future. In this context it should be established to what extent

these offices should perform additional tasks such as in particular in the field of enforcement (anti-counterfeiting).

The prevailing opinion of the Italian Group of AIPPI is that the national offices should maintain their current tasks trying to perform them at their best.

(c) Linkages between the systems

(i) Filing a CTMA at the central IP Office of a Member State

- ***To what extent is the option to file a CTM application at the central IP Office of a Member State still appropriate?***

The Italian Group of AIPPI sees no particular reasons to maintain this option

(ii) Requirement for a CTM to be used "in the Community"

- ***To what extent is the territorial requirement for a CTM to be genuinely used "in the Community" (Art. 15 CTMR), as interpreted in the related Joint Statement by the Council and the Commission of 20 December 1993, still appropriate in view of a Community market now comprising 27 Member States?***

It is the prevailing opinion of the Italian group of AIPPI that the territorial requirement for a CTM to be genuinely used "in the Community" should be re-evaluated.

Use "in the Community" should be effective and cover at least member states with relevant population compared to the overall population of the European Union.

(iii) Seniority claims

- ***To what extent does the option of claiming seniority of a national trade mark still match the needs of users?***

The reply to the question should thoroughly establish the reasons for the low number of seniority claims filed and analyse the need for maintaining this option from a users' perspective.

In the Italian Group of AIPPI there is some debate as to the future utility of seniority claims. For the time being, however, we propose to maintain it.

- ***To what extent should seniority claims be verified by the OHIM in future?***

Seniority claims should be verified by the OHIM along the requirements foreseen by Article 34 of the CTMR.

(3) Contributions of national offices to the overall functioning of the CTM system

(a) Sort of contributions

- ***To what extent are national offices contributing to the overall functioning of the CTM system?***

In the opinion of the Italian Group of AIPPI the double system should be maintained (please refer to point 2(a))

(b) Compensation by financial contributions from OHIM

- ***To what extent are the expenses related to these contributions made by national offices covered by payments received from the OHIM budget?***

The reply to this question should include a detailed insight and evaluation of the cooperation activities for which a financial contribution from the OHIM budget is available.

On the basis of our previous reply, we see no apparent reason to encourage financial contribution from the OHIM budget to national offices.

(4) Potential for enhanced cooperation between OHIM and national offices

- ***In what ways could national offices additionally and valuably contribute to the overall functioning of the CTM system to the benefit of current and potential users?***

The reply to this question should establish the potential for an enhanced cooperation between the OHIM and national offices by determining appropriate areas where from a stakeholders' point of view national offices could additionally contribute in an effective manner to the overall functioning of the CTM system, in particular, but not exclusively in the area of enforcement (anti-counterfeiting). This question is to a certain extent related to the above question no 2(b) on the future role of national offices.

In the opinion of the Italian Group of AIPPI the national offices could contribute to the overall functioning of the CTM system by simply performing their tasks at their best. No contribute in the area of enforcement (anti-counterfeiting) seems to be advisable.

(5) Impact of distributing an amount equal to 50% of OHIM's renewal fees to national offices

- ***What could be the benefits both for the OHIM and users of the CTM system to have the half of the renewal fees revenue going to Member States' national offices? What are possible disadvantages?***

In the opinion of the Italian Group of AIPPI this question implies political evaluations which are not the subject matter of our work.

(6) Accounting mechanisms

- ***How and to which extent could it be ensured that these transferred funds are available to Member States' national offices and really used for the trade mark related purposes concerned?***

This question should analyse the financial situation of national offices and, in particular, look for appropriate accounting mechanisms which could ensure that the funds transferred from OHIM to Member States' national offices are used for the trade mark related purposes concerned.

Please refer to the preceding point.

(7) Distribution key

- ***What would be an appropriate key for distributing 50% of OHIM's renewal fees to the individual Member States?***

Please refer to the preceding point.

2. Functioning of the CTM system including the OHIM

The reply should establish to which extent the CTM system is in need of amendment or improvement, as well as the extent to which OHIM should provide additional services, and should include the following examples, but may include anything else that in particular users of the system perceive to be in need of change.

(1) Definition of signs of which a trade mark may consist (Article 2 TMD, 4 CTMR)

- ***To what extent is the required capability of being represented graphically still a relevant and appropriate requirement for a sign to qualify as a trade mark with regard to non traditional trade marks? What could be appropriate alternative requirements to establish instead of it?***

The required capability of “graphic representation” is somehow overcome, particularly with regard to non-traditional trademarks. For these signs, in the opinion of the Italian Group of AIPPI the graphic representation could be substituted by alternative means, such as the filing of 3D samples, pantone codes, pentagrams. There is some debate as to the representation of olfactory trademarks through the gas chromatography, which, however, require a too specialistic knowledge for average users.

(2) Rights conferred; sanctions (Article 5 TMD, Article 9 CTMR)

- ***Does the definition of the rights conferred upon proprietors in case of infringements still satisfy current need?***

In the prevailing opinion of the Italian Group of AIPPI the rights conferred upon proprietors should be also expanded to the non-distinctive use of the trademark by third parties; as we explained at point 1(b)(i)

- ***Is there a need to align the customs seizure sanctions with the civil sanctions, in particular in case of import, export, and transit transactions?***

In the opinion of the Italian Group of AIPPI there is a need to align customs seizure sanctions with civil sanctions, particularly in respect to the goods in transit, that should be

treated as the goods marketed in the country in order to determine whether they are infringing IP rights (as indicated by the Italian case law: see for instance Court of Milan, 28 December 1987, in *Giur. ann. dir. ind.*, 1988, no. 2278 and Court of Milan, 5 March 1998, in *Il dir. ind.*, 1998, at page 192 ff).

- ***Should the CTMR include the same sanctions, in accordance with the Directive 2004/84/EC on the enforcement of IP rights, as are made available for the infringement of national IP rights?***

The Italian Code of Industrial Property Legislative Decree n. 30, of February 10, 2005 (CIP) already includes the same sanctions for CTM trademarks and national trademarks.

(3) Classification

- ***To what extent does OHIM's practice of encouraging list of goods and services corresponding to the headings of the Nice classification system meet the business needs of applicants with a view to the objective of avoiding unnecessarily broad specifications of goods and services?***

In the opinion of the Italian Group of AIPPI the OHIM practice meets the business needs of Applicants.

When filing fresh trademarks, Applicants often need to claim a broader protection of the list of goods/services.

Most often, at the beginning, Applicants have no precise ideas on the possible development of their business. As a consequence, it is advisable to claim a broader protection, which may possibly be restricted, should the trademark face office actions/refusals.

(4) Claiming priority (Article 30 CTMR)

- ***To what extent should priority claims be verified by the OHIM in future?***

The reply should define users' preference as to the treatment of priority claims. Like other IP Offices, OHIM could be allowed to simply record such claims without verification and with the applicant only having to identify the place of earlier registration and the relevant trade mark number. The claim could be challenged in adversarial proceedings. Alternatively, a full examination of the requirements could be foreseen with the applicant having to prove his priority right.

In the opinion of the Italian Group of AIPPI the verification of priority claims by the OHIM is efficient and consistent with the principle of the "certainty of law".

(5) Examination of absolute grounds

(a) Access to trade mark protection

- ***To what extent are users satisfied with the granted level of access to trade mark protection?***

The reply to this question should establish to what extent users are satisfied with the registration practice at EU level and to what extent they consider this practice either too liberal or too strict. The related results of the EBTP survey should be taken into account.

According to the knowledge of the Italian Group of AIPPI, trademark users are satisfied with the granted level of access to trademark protection.

(b) Quality of examination

- ***To what extent does the examination practice of OHIM meet users' expectations of providing for certainty that the resulting CTM registrations are entitled to a presumption of validity?***

The reply to this question should not only establish the level of users' satisfaction on this point but also analyse the relevance and efficiency of pertinent quality standards and quality control mechanism established by the OHIM to ensure the required high quality.

In the opinion of the Italian Group of AIPPI the OHIM Guidelines and practice on the examination of absolute grounds are almost satisfactory.

- ***To what extent does the examination practice of OHIM meet users' expectations of consistency in examination for formal deficiencies, such as classification, or in examination for absolute and relative grounds, at the various levels of OHIM activity (examination, opposition, cancellation, appeal)?***

In the opinion of the Italian Group of AIPPI the OHIM practice at level of Opposition/Cancellation/Appeal proceedings should be better harmonized. The Guidelines of the Office are not always consistently respected by the different Divisions.

Some discrepancies are perhaps unavoidable, given the discretionary evaluation of the risk of confusion by different Examiners. It would be however important to set out more scientific criteria to avoid excessive uncertainty for trademark users.

In particular, following the most recent case law of the ECJ, it would be important to focus on the "perception of the relevant consumers" to evaluate the existence of risk of confusion/ improper exploitation of the renown of the trade mark.

(c) Territory of acquired distinctiveness (Article 7(3) CTMR)

- ***Is there a need for clarifying the territorial scope in respect of which acquired distinctiveness must be shown and, if yes, what would be an appropriate solution?***

Please refer to point 2(ii)

(d) Bad faith as additional absolute ground for refusal

- ***Should bad faith be added to the list of absolute grounds for refusal?***

The reply should analyse the usefulness and added value of bad faith constituting also an absolute ground in the registration procedure.

Generally speaking, in the opinion of the Italian Group of AIPPI the bad faith should be added to the list of absolute grounds for refusal. However, in case the bad faith consists in filing a fresh trademark that third parties plan to file, we are dealing with a relative ground for refusal, which may be enforced only by interested parties.

(6) Use requirement (Article 15 CTMR)

- ***To what extent has the current system with regard to the user requirement, including the 5 years grace period proved to be efficient and effective to reduce the total number of trade marks protected in the Community, and, consequently, the number of conflicts which arise between them?***

The reply to this question should establish to what extent users are satisfied with the current use requirement and its application in OHIM and Court practice. In this context the study shall investigate whether there is support from users to shorten the present 5 years grace period to 3 years, as well as regards any other measure that might be adopted in this context, such as requiring proof of use at the time of renewal or an "intent to use" at an earlier point in time.

In the opinion of the Italian Group of AIPPI it may be efficient and effective to shorten the present 5 years grace period to 3 years.

(7) Searches (Article 39 CTMR)

(a) Optional search for national rights

- ***To what extent has the recently introduced optional search system for national rights proved to be effective and efficient for users?***

The reply to this question should establish the degree of user satisfaction with the optional search system for national rights (including price).

In the opinion of the Italian Group of AIPPI the optional search system for national rights is not particularly useful for trademark users and might be abolished.

(b) Mandatory search in the CTM Register

- ***To what extent has the mandatory search in the CTM Register proved to be effective and efficient for users?***

The reply to this question should establish the degree of user satisfaction with the mandatory search in the CTM Register and consult with users whether this search should become optional as well.

In the opinion of the Italian Group of AIPPI the mandatory search in the CTM Register might become optional or even abolished, given its doubtful utility.

(c) Demand for additional or different services

- **Would users like the OHIM to offer different or additional search services?**

The reply should establish to which extent (potential) users would be interested in being provided with other or additional services in the area of searching, such as, for example, pre-filing searches, or qualified search reports which do not only list possible conflicting earlier rights but also assess the relevance of these hints.

In the opinion of the Italian Group of AIPPI it might be useful that the Office offers an optional pre-filing searches service.

(8) Examination of relative grounds (Article 8 CTMR)

(a) No ex-officio examination

- **To what extent has the examination of relative grounds only upon opposition, i.e. not ex officio, proved to be effective and efficient to deal with conflicting earlier trade mark rights?**

In the opinion of the Italian Group of AIPPI the examination of relative grounds only upon opposition (and not *ex officio*) appears to be the only possible right solution.

(b) Introduction of "accelerated registration" procedure

- **To what extent is there support for introducing an option for requesting the accelerated registration of a CTM application against the payment of a higher fee and with opposition occurring thereafter?**

In the opinion of the Italian Group of AIPPI the option for requesting the accelerated registration of a CTM application against the payment of a higher fee is not particularly useful. Indeed, further to the EU entrance in the Madrid Protocol it is possible to file an international registration on the basis of a CTM application (not yet matured into registration).

(9) Opposition procedure (Art. 42 CTMR)

(a) Pre-registration opposition system

- **To what extent has in the users' view the providing of opposition proceedings before registration ('pre-registration opposition system') proved to be effective and efficient to best accommodate the interests of both CTM applicants and holders of earlier rights compared to a post-registration opposition system?**

In the opinion of the Italian Group of AIPPI the current pre-registration opposition system is the right solution to best accommodate the interests of both CTM applicants and holders of earlier rights and not postpone risks and damages at a later stage.

(b) Well known and reputation marks (Art. 8(2)(c) and Art. 8(5) CTMR)

- ***Is there a need for clarifying the difference between or the common features of well-known trade marks and those with reputation?***

It is the prevailing opinion of the Italian group of AIPPI that the difference between well-known trademarks and those with reputation is overcome. What is essential is proving – by means of all the possible elements – that the trademark is so known to generate a mental link between the allegedly infringing trademark and the reputed mark in the public of reference, which causes prejudice to the reputed mark, or takes unfair advantage from it.

We are of the opinion that it is not the degree and size of the reputation that makes the distinction in terms of the eligibility of protection, but rather the “mental link” which is established between the trademark which enjoys the reputation and the counterfeiter’s mark, i.e. it is eligible for additional protection beyond the “traditional” likelihood of confusion any trademark which “conveys” a message benefiting the good or service for which the infringing sign is used even if consumers are not really confused” (see again C. GALLI, *Scope of Trade Mark Protection and the «New» Trade Mark Infringement*, in *ECTA Gazette*, 2006; see also A. VANZETTI-C. GALLI, *La Nuova Legge Marchi*, Milan, 2001, at page 38 et seq.; S. SANDRI, *Marchio comunitario e marchio di rinomanza*, in *Il Dir. ind.*, 1995, at page 123)

(c) Appropriate relative grounds

- ***To what extent have the relative grounds under Article 8(3) and (4) CTMR proved to be appropriate subject matter to be dealt with in opposition proceedings with a view to their legal and evidentiary complexity?***

In the opinion of the Italian Group of AIPPI the relative grounds under Article 8 (3) and (4) CTMR are appropriate subject matter to be dealt with in the opposition proceedings. We do not see particular complexity to exclude them. We also suggest that the guidelines be indicated for the purpose of evidence gathering.

(d) Opposition period

- ***To what extent does the period of three months to file an opposition still meet the interests of users?***

It should be analysed whether the procedure should be speeded up by shortening this period to two months.

In the opinion of the Italian Group of AIPPI the three-month period to file opposition still meets the interests of users and should not be shortened.

(10) Appeal procedure

- ***To what extent does the providing of an additional two month period for filing the grounds of appeal still meet the needs and interests of users?***

It should be analysed whether the procedure should be speeded up by requiring that both the notice of appeal and the statement setting of grounds are to be filed within two months after the date of notification of the decision appealed from.

In the opinion of the Italian Group of AIPPI the current timing of the appeal procedure is efficient and there is no need to speed it up.

(11) E-Business

- ***To what extent are users satisfied with the e-Business tools offered by the OHIM and to what extent are they in favour of the OHIM performing the registration and administration of CTMs exclusively by electronic means in future?***

Apart from establishing the level of satisfaction with the e-Business tools offered the reply to the question should establish whether from a users' point of view the OHIM should admit only electronic communication in future or whether it should continue to also allow communication by traditional means such as post and fax, at least against payment of a higher fee. The related results from the EBTP survey are to be taken into account.

According to the knowledge of the Italian Group of AIPPI the users are satisfied with e-Business tools offered by the OHIM. Anyway we are not in favour of abolishing the traditional means of communication (courier and fax) which may certainly be still useful in many circumstances.

(12) Regime on costs

- ***To what extent has the current regime on costs proved to be effective and efficient?***

The reply to this question should as well not only analyse in this context the benefits of repealing Article 81 or of amending the cost regime to provide higher claimable amounts, e.g. in cases of pointless or frivolous oppositions, but should also look into other options to assist users such as for instance the possibility of providing legal aid to SME's.

In the opinion of the Italian Group of AIPPI the current regime on costs should be revised. It does not reflect users' expectations: the losing party should be requested to refund at least the legal expenses effectively suffered by the adverse party.

In any case, OHIM should not be requested to provide legal aid to SME's.

(13) OHIM

(a) Role and mission

- ***How should the role and mission of OHIM be defined in future?***

The reply should analyse from a users' perspective the potential, appropriateness and added value of assigning additional tasks to the OHIM, such as particularly in the field of enforcement (anti-counterfeiting).

In the opinion of the Italian Group of AIPPI OHIM should maintain its current tasks, no additional ones are requested.

(b) Fees and fees structure

- **To what extent is there a need for the adjustment of fees?**

The reply to this question should analyse the current fees structure and assess whether with a view to the recent substantial reduction of accession fees there is a need for adjustment of other main fees (in particular, opposition fee, fee for the application for revocation or for a declaration of invalidity, and appeal fee), taking into account the interests of earlier right holders.

In the opinion of the Italian Group of AIPPI there is no need for adjustments to the current fees structure.

- **To what extent is there a need for changing and/or streamlining the fees structure?**

The reply should analyse the appropriateness of the introduction of a fee that is linked to the number of classes in the application rather than allowing the first three classes for one set fee. In this context the reply should also look at the experiences made in trade mark systems with an application fee linked to the number of classes applied for. Furthermore, the reply should establish the potential for further simplification of the fees structure in order to offer a better service to businesses.

In the opinion of the Italian Group of AIPPI there is no need for changing and or streamlining the fees structure.