

## **Italian law provides broader protection to well-known and famous marks**

**While Italian legislation does not define what constitutes a well-known mark, their treatment as marks that ‘enjoy a reputation’ means that they enjoy wide protection**

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Italian legislation contains no proper definition of what constitutes a ‘well-known’ or ‘famous’ mark, and there is no firm consensus on their definition among scholars or in case law. However, when discussing the notion of extended protection of trademarks, there is little distinction between trademarks that are famous or well known and those that enjoy a reputation. The provisions in both EU and Italian law that grant extended protection speak of marks that ‘enjoy a reputation’ (here also referred to as ‘reputed’ marks).

Before 1992, Italy’s trademark law contemplated protection for a registered mark only under the principle of speciality in respect of identical or similar goods or services and in the presence of likelihood of confusion (Trademarks Act under Royal Decree 929 of June 21 1942). Thus, while IP experts and case law had acknowledged and confirmed that a famous mark in Italy would be protected beyond the goods and services covered by its registration, the absence of any legislative and regulatory provisions regarding this meant that it was difficult for scholars and judges to agree on a common definition of a ‘famous’ mark and, perhaps more importantly, to identify the necessary criteria to justify protection of the mark beyond the principle of speciality.

It was not until significant revisions were made to the Trademarks Act on December 4 1992, including ratification of the EU First Trademark Directive (89/104/EEC), that Italian legislation introduced provisions intended to protect trademarks with a reputation in respect of dissimilar goods and services. Italy’s many laws on industrial property rights were recently reviewed and collected in a single statute known as the Code of Industrial Property Rights, which took effect through Legislative Decree 30/2005. The code mirrors the provisions for trademark protection contained in the amended Trademarks Act and in the EU First Trademarks Directive, with minor but significant adaptations. Specifically, Article 20(1) of the code states that the owner of a registered trademark has the right to prohibit third parties from using, in the course of trade and without its consent:

*“(a) a sign identical with the trademark for identical goods or services to those for which it has been registered;  
(b) a sign identical with or similar to the registered mark, for identical or similar goods/services, if because of the identity or similarity between the signs and the identity or similarity between the goods or services, there may exist a likelihood of confusion for the public, that may also consist in a likelihood of association between the signs;  
(c) a sign identical with or similar to the registered mark also for dissimilar goods or services, if the registered mark enjoys a reputation in the country and if use of the subsequent sign without due cause draws unfair advantage from the distinctive character or from the reputation of the earlier trademark or is prejudicial thereto.”*

Whereas the wording of Article 5.1 of the directive referred to protection of the reputed mark only for “dissimilar goods or services”, the wording of Article 20(c) of the code was amended to contemplate protection “also for dissimilar goods or services” (ie, protection for similar goods and services, as well as dissimilar goods and services). Thus, the code accommodates the interpretations of the European Court of Justice (ECJ), which clarified that extended protection of a reputed mark must apply equally to similar goods and services (*Davidoff* (ECJ Case C-292/00,

January 9 2003) and *Adidas* (Case C-408/01, October 23 2003)). The same are applied for the protection of well-known trademarks as identified by Article 6*bis* of the Paris Convention (Article 12(1)(g) of the code).

If this were not the case, it would be impossible to protect against the infringement of a reputed mark when used for the same goods or services in circumstances that excluded any likelihood of confusion. For example, where fashion items reproducing a reputed trademark are sold by street vendors or where the reputed mark is parodied on the same type of goods or services for which it is known, in both instances the consumer may be persuaded to purchase the goods bearing the infringing trademark, despite being fully aware that they are not originals.

Therefore, a trademark that enjoys a reputation in Italy is granted protection under Article 20(c) of the code against a subsequent identical or similar sign being used for similar or dissimilar goods or services. This protection is conditional on proving that use of the subsequent sign draws unfair advantage from the reputed mark or causes prejudice thereto.

Accordingly, 'unfair advantage for the competitor' or 'prejudice to the trademark owner' becomes the fundamental aspect to be proven when protection of a reputed mark is sought under these provisions. According to the prevailing case law, unfair advantage exists whenever a third party uses a reputed mark for dissimilar goods to benefit economically from the goodwill of others in the start-up of its activity, or from the connection that the public will make between its goods and the image and value of the reputed trademark, thus allowing the third party to better position its goods on the market. Prejudice is found in all cases where the infringing mark is connected with goods or services that are dangerous or below the standards of the reputed mark's business, or where use of the imitated mark does not correspond with the reputed trademark's style or marketing methods, and thus contributes to dilution of its distinctive character.

Protection under Article 20(c) of the code may potentially be granted in respect of all goods or services. It does not require a showing of likelihood of confusion, and is based on premises and objectives that are different from those typically concerned with normal mark protection to preclude confusion as to the origin of the goods, maintained under Article 20(b) of the code.

Even before the Trademarks Act was amended in 1992, in some instances Italian courts had already acknowledged and granted extended protection to trademarks identified as 'famous' – that is, marks considered very well known among the general public, based on a high level of knowledge across all consumers and an assessment of the potential dynamic trend for expansion of the famous mark at the time of the infringing mark's registration application or use (eg, *VOGUE* for magazines, *VALTUR* for travel services and *PORSCHE* for automobiles). However, the notion of 'reputation' which has been introduced seems to be less rigid. Judging by the Interpretation of the ECJ, this notion should be evaluated with respect to the knowledge of the mark among a significant part of the consumer group interested in the goods or services, taking into account the market share of the products sold under the mark, the intensity, geographical extent and duration of such use, and investment made to promote the mark.

While the definition of a trademark that 'enjoys a reputation' is still the subject of some debate in Italy, courts and scholars are increasingly accepting the interpretations of the ECJ, concluding that the notion of reputation must be interpreted less rigidly with respect to the criteria previously applied by the courts for famous marks. The trend is also moving towards confirming that the extended protection benefits provided by Article 20(c) of the code do not require extensive knowledge of the trademark by all consumers and extensive advertising investment. Rather, reputation exists where the mark is known by a significant part of the public that is interested in the relevant goods or services. Regardless of the exact definition, there is consensus that a registered mark which enjoys a reputation should be afforded protection beyond the scope of registration – if not globally, then at least within those spheres of goods or services where the mark owner's business could be reasonably expected to develop according to that industry's practice. The mark's potential for expansion is an important element when determining the scope of the extended protection. In this regard, some scholars have proposed that the extent of protection should be proportional to the degree of reputation that the mark has acquired. Therefore, it could be supposed that a trademark enjoying a high level of reputation would have protection extended to all goods and services, whereas a mark enjoying a lower level of reputation would be granted extended protection for goods and services closer to its core business. This would be restricted

even further if the mark's potential for expansion were limited, since it would be less likely for a third party to gain unfair advantage or cause prejudice to the mark when using a similar sign for goods or services not directed to the same consumers of the main product.

The rationale behind the approach to extended protection is that when dealing with a reputed trademark, attention should shift from protection of the mark's inherent distinctiveness to protection of its value as an instrument capable of capturing and monopolizing consumers' attention.

Therefore, the extent of protection should amount to an evaluation of the mark owner's business investments in making the mark known and its potential for expansion.

The Rome Court of Appeals recently applied these notions when reviewing a decision involving, among other matters, a claim for partial cancellation for non-use of a registered trademark that enjoyed a reputation (*Ed Srl v Hu*, December 9 2008).

The judge in the first instance proceedings had rejected the claim for partial cancellation of the mark in respect of Class 16 goods (in particular, for publications), since it was held to enjoy a reputation in the field of fashion and thus its protection should also be guaranteed in respect of dissimilar goods. After confirming that the trademark in question enjoyed a reputation in Italy, the court of appeals reasoned that the provisions governing cancellation for non-use under Article 24 of the code were inapplicable to the case because it was wholly reasonable that a subject operating in the fashion industry would expand into the publishing industry.

Therefore, the notion of extended protection of a reputed mark may also be used to safeguard the existing registration of a reputed mark for dissimilar goods or services for which there has been insufficient or no use.

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