



Country: Italy

Intellectual Property Rights (IPR) Toolkit for Italy

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Introduction

Italy's protection of intellectual property lags behind that of many other Western European countries and, despite Italian government strides to improve protection, this remains an area of concern for U.S. companies doing business in Italy. Since the inception in 1989 of the Special 301 review process identifying countries where intellectual property right infringement represents a barrier to trade, the United States Trade Representative (USTR) has consistently listed Italy on its Special 301 Watch List or Priority Watch List. The industries most affected by intellectual property right infringement in Italy include music, film, software, publishing, fashion, and pharmaceuticals. The International Intellectual Property Alliance (IIPA) estimated 2006 trade losses in excess of \$1.4 billion due to copyright piracy alone in Italy.

In an effort to improve its track record, Italy has passed strong legislation aimed at curbing intellectual property rights (IPR) infringement. However, while the passage of legislation is an important step forward, many of the laws are not fully or effectively enforced. In particular, steep fines for the purchase of counterfeit goods and severe punishments for peer-to-peer file sharing are being challenged in the Italian courts.

Despite ongoing concerns about intellectual property protection, with the assistance of legal counsel companies will find the tools to protect their intellectual property available in Italy. Italy is a signatory of the Paris Convention (Trademarks & Patents), the Berne Convention (Copyrights), and the Patent Cooperation Treaty as well as a member of the World Intellectual Property Organization (WIPO) and World Trade Organization (WTO). The Italian Financial Police (Guardia di Finanza) enforce injunctions, carry out seizures and wage an ongoing battle against counterfeiting and piracy and the organized crime networks behind these activities.

Copyright

In Italy, copyright infringement is perhaps the IPR violation that has the greatest impact on U.S. companies. According to data released by the USTR, Italy faces one of the highest overall piracy rates in Western Europe. The International Intellectual Property Alliance (IIPA) estimated 2006 trade losses in excess of \$1.4 billion due to copyright piracy in Italy. Pirated CDs, CD-Roms, and DVDs are commonly sold on Italian streets alongside counterfeit goods and illegal downloading is also widespread.

Under Italian copyright law, the author of any original intellectual work is protected, even without registration. However, U.S. copyright registration through the Copyright Office of the Library of Congress (<http://www.copyright.gov/>) is advisable in order to ensure complete protection for U.S. rights holders, especially those seeking to do business overseas. A U.S. registration provides documentation

of date and originality and is a safeguard in case copyright infringement does become a question. In Italy, copyright protection is automatically provided for during the life of the author/creator plus 70 years after his or her death.

Most copyrighted works (with some notable exceptions) for sale in Italy must bear the sticker of the Italian Society of Authors and Publishers (S.I.A.E.). The sticker costs about .03 Euro per copy and is meant to guarantee the authenticity of the copies of a work on the market and compensation of authors and artists. Software containing less than 50% audio or video material is exempt from the sticker. Italian law requires companies to file product identification declarations with SIAE before putting these products on the market. Certain other categories of software are exempt from both requirements. (See the following website for details: <http://www.siae.it/>).

While the sticker system has largely been accepted by the music and film industries, the software industry has found it particularly burdensome and has appealed to the Italian government to repeal any sticker or declaration requirements for software with less than 50% audiovisual content. Books published in Italy are also required to bear a SIAE sticker for literary works.

Illegal downloading of music, movies, and software has become increasingly widespread in Italy. The International Federation of Phonographic Industry (IFPI) reported that, in 2005, at any one time there were over 4 million people illegally sharing music in Italy. In that year, Italy passed new legislation on illegal downloading, creating tough penalties even for peer-to-peer file sharing with possible prison terms of up to four years for those who make copyright protected material available for illegal downloading on the web. It provided harsh sanctions, including criminal sanctions for peer-to-peer file sharing for private, non-commercial use. According to the current law, it appears that downloading files that infringe on copyrights subjects the downloader to various administrative sanctions such as fines, confiscation, etc.; P2P file-sharing that infringes copyrights is a criminal offense, but if not for financial gain the crime can be extinguished upon payment of a fine; P2P file-sharing that infringes copyright for financial gain (presumed in the case of more than 50 copies) is a crime and can result in both criminal and administrative sanctions, including fines and imprisonment of up to four years. However, in January 2007, the Italian Supreme Court overturned the criminal conviction of two former students of the University of Turin who had set up a peer-to-peer file-sharing network ruling that this activity did not constitute a crime because it was not done for financial gain. This case as well as others making their way through the courts promise a changing legal landscape in Italy on the question of illegal downloading in the years to come.

Trademark

Trademark protection is available for all new names, designs or symbols that identify a product in the market. Trademark protection is territorial and, therefore, a trademark registered in the U.S. is not protected in other countries. One notable distinction between U.S. and Italian trademark law involves the principle of first to use vs. first to register. In the United States, UK, and Canada trademark ownership is gained by use in commerce through which ownership is automatically granted. Most other countries, including Italy, use a first to register system whereby the first person to register a trademark is granted ownership even if it is already in use (but unregistered) by another party.

The trade of counterfeit goods, and, therefore, trademark infringement, is the IPR violation that is most keenly felt by Italian industry due to the number of famous “Made in Italy” fashion and leather brands that fall victim to counterfeiting. This is also the most visible IPR violation because of the pervasive presence of street vendors selling counterfeit products. In the past, counterfeit goods were

often made in Italy as part of the country's vast underground economy, but recent years have seen a shift in favor of imported counterfeit goods, which are now prevalent on the Italian market.

U.S. companies can register their trademarks in countries individually or file for EU-wide trademark and design protection (CTM). The EU registration system provides protection for industrial designs or trademarks in all of the 27 member states of the European Union. Both national trademarks and the CTM can be applied for from the U.S. Patent and Trademark Office as part of an international trademark registration system (<http://www.uspto.gov>), or companies may apply directly for those trademarks from the Office for Harmonization in the Internal Market (<http://oami.europa.eu>) in Alicante, Spain. Applications can also be filed with the patent office in any EU member country. An application to register a CTM can be filed regardless of whether a company has a prior Italian trademark or not. EU-wide trademarks last ten years and are also renewable indefinitely. A CTM entitles the owner to request Customs officials to seize counterfeit goods in addition to other protection measures.

For Italy, CTM registration does not include a search for prior national trademarks. The onus for such a search remains with the registrant. EU-wide CTMs do not override domestic trademarks. Thus a prior Italian trademark can be used to oppose a CTM.

To obtain trademark protection exclusively in Italy, trademarks should be registered with the Italian Patent and Trademark Office. After registration, protection is initially granted for a 10-year period but if properly maintained, trademarks are renewable indefinitely. Trademarks are freely transferable but assignments and licenses must be recorded with the Italian Patent and Trademark office in order to be enforceable against any third party infringement.

In addition to the protection granted through registration, even unregistered trademarks may be entitled to protection through principles of unfair competition and consumer protection. Well-known trademarks are protected in Italy from identical or confusingly similar trademarks, provided their use would cause unfair competition due to consumer confusion. This holds true even if used for entirely different services or goods. However, registration in Italy is advisable. The Italian Financial Police, Guardia di Finanza, are responsible for seizure of products found to be in violation of Italian laws protecting trademarks.

Industrial Design

Industrial design protection is in many ways a cross between patent and copyright protection. Industrial design protects the ornamental properties of an invention such as the shape, texture, patterns, lines, or color.

As in the case of trademarks, European Union-wide protection is available from the Office for Harmonization in the Internal Market (<http://oami.europa.eu>) in Alicante, Spain. A registered community design gives the exclusive rights to use the design in commerce to take legal action against infringers and claim damages, to forbid unauthorized production of a design in all the EU countries, and to stop imports into the EU at all possible entry points. Companies should consider protecting their design when entering the European market. A grace period allows companies to market products a full year before applying for protection without destroying the novelty. Protection is provided for up to 25 years but must be renewed every five years. Companies can also choose to register designs under national law as national design protection will continue to exist in parallel with Community design protection, according to the Design Protection Directive (98/71/EC).

New Italian legislation offers cumulative protection for industrial design according to both copyright and patent law. The new law gives longer economic protection to the inventor, which now lasts 70 years after the death of the inventor. The Industrial Property Code allows more than one industrial design to be registered by means of a sole application if certain requirements are fulfilled.

Patents

A U.S. company can apply for international protection when filing for a patent at the United States Patent and Trademark Office by completing a Patent Cooperation Treaty (PCT) application for the countries in which patent protection is desired. Italy is among the signatories of this treaty. The PCT is an international agreement designed to unify and simplify the measures to be followed by nationals or residents of one member country when filing patent applications in other member countries.

Patent protection is not yet available in Europe in the form of a single European patent that has effect across the European Union as a whole. However, patents may be obtained in Europe either through applications filed in individual European countries or via the centralized patent process administered by the European Patent Office (EPO) in Munich, Germany. Under this process, an applicant may file a single application at the European Patent Office and designate in which Member States of the European Patent Convention (EPC) the patent grant will have effect. In order to have the grant become effective in the designated states, the applicant must complete the validation process in each country. The patent will remain valid for 20 years from its filing date. It should be noted that not all Member States of the European Union are members of the EPC, and vice-versa. Italy, however is a member of both.

To register a patent solely in Italy, an application must be filed with the Italian Patent and Trademark Office (Ufficio Italiano Brevetti e Marchi). Once a patent is granted, the term of protection is for a non-renewable period of 20 years. Patents are freely transferable but the relative assignment and any licenses must be registered with the Italian Patent and Trademark Office in order to be enforceable against third party infringers. Local Chambers of Commerce in Italy act as branch offices of the Italian Patent and Trademark Office for purposes of filing and processing applications.

In order to be approved, patent applications need to fulfill the requirements of novelty, utility, and inventive step. The United States operates on a “first-to-invent” basis, which grants a patent to the first person to conceive of an idea and reduce it to practice. Italy and the rest of Europe apply the “first-to-file” principle, which grants the patent to the inventor who files for it first.

Enforcement and Additional Assistance

Intellectual property protection is provided under Italy’s penal and civil codes. Under the penal code, Italy’s Finance Police, Guardia di Finanza, is responsible for IPR enforcement, and other law enforcement agencies such as the Carabinieri and the municipal police also play important roles. The Guardia di Finanza is authorized to seize any counterfeit or pirated goods. Legislation passed in 2005 established administrative fines ranging from 100 to 10,000 Euros for consumers caught purchasing or accepting counterfeit or pirated goods. This law is aimed at protecting goods “made in Italy.” Patent, trademark, and copyright owners can request Italian Customs Authorities to prevent goods in violation of IPR from entering the market through an injunction. Civil proceedings can take place separately or be added to a criminal trial. Lawsuits in Italy generally take many years and injunctive relief and damages can be requested during this time.

The goal of this report is to provide general information to U.S. companies on how to protect their intellectual property in Italy. Companies are advised to consult with an experienced intellectual property lawyer before entering the market and/or in case of infringement. The U.S. Commercial Service in Italy can provide counseling as well as lists of attorneys specialized in this field to U.S. firms in need of assistance.

Key Contacts

Mr. Robert Bannerman, Deputy Senior Commercial Officer
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Fax +39 0646742113
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World Intellectual Property Organization (WIPO)
P.O. Box 18, CH-1211 Geneva 20, Switzerland
Tel. +41 22-338-9111
Fax +41 22-22-733-54-28
Online contact Form: <http://wipo.int/tools/en/contacts/index.jsp>
Website: www.wipo.int

Italian Trademark and Patent Office
Via Molise 19
Rome, Italy
Tel. +39 064-7055-654
Email: info@uibm.gov.it
Website: <http://www.sviluppoeconomico.gov.it/>

Italian Society of Authors and Editors (SIAE)
Sezione OLAF
SIAE Direzione Generale
Viale della Letteratura, 30
Rome, Italy – 00144
Tel. +39 06 59902719
Email: Olaf@siae.it
Website: <http://www.siae.it/>

EU Patent Office
80298 Munich, Germany
Tel.: +49 89 2399-0
Fax: +49 89 2399-4560 (administration)
Fax: +49 89 2399-4465 (patents)
Online contact Form: <https://secure.epo.org/contact/form/munich/index.en.php>
Website: www.epo.org

Office for Harmonization in the Internal Market (Trademarks and Designs)
Avenida de Europa, 4
E-03008 Alicante, Spain
Tel. +34-96513-9100
Fax: +34 96513-1344
Website: <http://oami.europa.eu/en/default.htm>

U.S. Patent and Trademark Office
Tel. (571) 272-3547
Fax: (571) 273-0048 or (571) 273-8300
Email: usptoinfo@uspto.gov
Website: <http://www.uspto.gov/>

Additional Resources

U.S. Government

United States Department of State <http://www.state.gov/>
United States Department of Commerce <http://www.doc.gov/>
United States Trade Representative <http://www.ustr.gov/>
United States Patent and Trademark Office <http://www.uspto.gov/>
United States International Trade Commission <http://www.usitc.gov/>
United States Strategy Targeting Organized Piracy (STOP!) <http://www.stopfakes.gov/>
Department of Justice, Computer Crime and IP Section <http://www.cybercrime.gov/>
DHS/Customs and Border Protection <http://www.cpb.gov/>
DHS/Immigration and Customs Enforcement <http://www.ice.gov/pi/cornerstone/ipr/>
Copyright Office, Library of Congress <http://www.copyright.gov/>

Industry Organizations

American Bar Association <http://www.abanet.org/>
Association of American Publishers <http://www.publishers.org/>
Biotechnology Industry Organization <http://www.bio.org/>
Business Software Alliance (BSA) <http://www.bsa.org/>
International Federation of the Phonographic Industry (IFPI) <http://www.ifpi.org/>
International Research-Based Pharmaceutical Manufacturers Association (IRPMA)
<http://www.irpma.org.tw/english/>
Motion Picture Association <http://www.mpa.org/anti-piracy/>
Music Publishers Association <http://www.mpa.org/>
Pharmaceutical Research and Manufacturers of America (PhRMA) <http://www.phrma.org/>
The Recording Industry Association of America <http://www.riaa.org/physicalpiracy.php>
Entertainment Software Association <http://www.theesa.com/>
International Trademark Association <http://www.inta.org/>
International Anti-Counterfeiting Coalition <http://www.iacc.org/>
U.S. Chamber of Commerce <http://www.uschamber.com/ncf/initiatives/counterfeiting.htm>

Coalition Against Counterfeiting and Piracy (CACP) <http://www.thecacp.com>,
<http://www.thetruecosts.org>

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