TOBACCO PLAIN PACKAGING QUESTIONNAIRE

National Group: Italian Group

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1) If the general conditions of registrability are met, does the product or service in relation to which a trade mark is used or proposed to be used have any affect on the ability to:

(a) register the trademark; and

(b) use it once so registered?

Generally speaking there is no negative impact on either registrability or use, depending on the product or service for which a trademark application has been filed. However please consider that the Italian case law includes among the illicit trademarks those signs which are applied for and/or used for illicit product or services: see Court of Milan, 14 February 2005, in *Giur. ann. dir. ind.,* 2005 concerning the nullity of the trademark "I grandi veggenti d'Italia" (The Great Italian Fortun Tellers), since the relevant activity (fortune telling) amounts to a crime under the Italian law; and Court of Naples, 14 January 2013, which likewise cancelled the trademark "Falso d'Autore" (Fake of an Artist), since it was able to evoke an illicit activity (counterfeiting).

2) What rights are derived from trademark registration?

Article 20 Code of Industrial Property (hereinafter: CIP) entitles the trade mark owner's to "*make exclusive use of the trademark*" and to "*prohibit third parties, save with its consent, from using in the course of trade*" the trademark or similar signs, within the scope of protection of the trademark, i.e. if one or more of the functions of the trademark is affected. Likewise Italian scholars pointed out that the trademark owner's right includes both *ius utendi* (right to use the trademark) and *ius excludendi alios* (right to prevent third parties from using the trademark), even if the scope of these two rights may be different (see on this issue in particular AUTERI, *Lo sfruttamento del valore suggestivo dei marchi d'impresa mediante* merchandising*, in Contr. e impr.*, 1989, page 510 ff, at pages 524-525).

3) What rights exist in relation to a sign used as a trademark but not registered? What is the basis of any such right?

Articles 1 and 2 CIP expressly include the sign used as a trademark but not registered (*de facto* trademark) among the IPRs protected by the Code, The same rules concerning registered trademarks apply to *de facto* trademarks, apart those rules having their underlying rational in the registration: see SENA, *Confondibilità e confusione. I diritti non titolati nel codice della proprietà industriale*, in *Riv. dir. ind.*, 2006, I, page 17 ff. and GALLI, *La tutela contro il parassitismo nel «nuovo» codice della proprietà industriale*, in AA.VV., *Il progetto di novella del CPI – Le biotecnologie* (Editor: UBERTAZZI), Milan, 2007, page 105 ff, at pages 113-114).

4) Is it possible to:

(a) obtain; or

(b) maintain;

registration for a trademark that is not:

(i) used; or

(ii) intended to be used?

No. In this respect the Italian rules are fully consistent with those set forth by the Directive No. 2008/95/CE. Therefore a trademark may be applied for even before being used, but the exclusive right lapses if it has not been used in an effective way within five years since the registration has been granted, unless there is a "*legitimate reason*" for non use. According to the Italian scholars these legitimate reasons include a legal prohibition to market the product for which the trademark has been applied for (see VANZETTI-GALLI, *La nuova legge marchi²*, Milan, 2001, at page 223). More in general FRANZOSI, in FRANZOSI-SCUFFI-FITTANTE (Editors), *Il codice della proprietà industriale*, Padua, 2005, at page 172, includes among the legitimate reasons every case of "force majeure or legal or administrative rules contrary to the use". Furthermore some scholars maintain that a trademark which was applied for, but is non intended to be used should be deemed null, since tha pllication would have been made in bad faith (see SPADA, *La registrazione del marchio: i «requisiti soggettivi» tra vecchio e nuovo diritto*, in *Riv. dir. civ.*, 1993, II, 435 ff at pages 439-440, footnote 7, and ROVERATI, *Marchio ed imprenditorialità. La nuova formula dell'art. 22 legge marchi*, in *Giur. comm.*, 1993, I, 484 ff at pages. 503-504.

5) If yes to 4) above, are the rights derived from such trademark registration the same or different to registered trademarks that are used?

6) Are rights in unregistered trademarks dependent on use? Whether yes or no, please explain the basis for your answer.

An unregistered sign is protected as *de facto* trademark when it has acquired non purely local notoriety as a trademark, including the notoriety gained within the State through the promotion of the trademark. Therefore the protection does not strictly depend on use. *De facto* trademarks are protected, even if they are not used, as long as they are perceived as trademarks by the public.

7) Is there any basis to restrict the use of:

(a) a registered trademark; or

(b) a sign used as a trademark?

If yes, please explain any relevant laws or precedents.

According to Article 21 CIP, "*A trademark may not be used in a manner contrary to law*" and in particular "*in a manner likely … to mislead the public in any way*". Furthermore Article 14 CIP sets for the that a trademark shall lapse "*if, in consequence of the manner and context in which it is used … the trademark has become likely to mislead the public*" and "*if the trademark has become contrary to law, public policy or accepted principles of morality*". However there are no specific precedents in the Italian case law.

8) Is there any basis for the state or any state-controlled body to expropriate?

(a) a registered trademark;

(b) a sign used as a trademark; or

(c) the rights deriving from either (a) or (b)?

If yes, please explain any relevant laws or precedents.

No. Article 141 CIP permits expropriation of IP rights by the State "*with the exception of rights referring to trademarks*".

9) If yes to 7) or 8) above, do public interest considerations provide any basis for such restriction or expropriation ("Restriction/Expropriation")? If yes, please explain any applicable public interest considerations, and any relevant laws or precedents.

As previously stated, the only restrictions to use of trademarks or reasons for lapse for public interest laid down by the Italian law regard deceptiveness and contrariety to law, public policy or accepted principles of morality.

10) If yes to 7) or 8) above, are trademarks different from other intellectual property rights in

this regard?

See the answer to question 8 above.

11) If yes to 7) or 8) above, are any treaty or other international obligations relied on to provide a basis for such Restriction/Expropriation (as applicable)? If yes, please explain the international obligations, and how those obligations are reflected in or received into your country's law.

No.

12) Is your country a signatory to the WHO Framework Convention on Tobacco Control ("FCTC")? If yes, has your country ratified the FCTC?

Yes. Italy signed FCTC 16 June 2003 and ratified the Convention on 02 July 2008, by Law 18 March 2008, No. 75. Hence it entered into force for Italy on 30 September 2008.

13) If yes to 12) above, has the FCTC been implemented in your country? If yes, please explain its legal impact, if any, including by reference to the Guidelines for Implementation of Articles 11 and 13 of the FCTC.

The Italian legislation on tobacco is mainly consistent with the FCTC. However the health warnings and messages on tobacco product packaging and labelling do not include pictures or pictograms (Article 11).

14) Is the FCTC received directly into your country's domestic law or is domestic legislation required to give it effect in your country's law?

See the answer to question 12 above.

15) If there is presently a legal basis in your country for permitting any Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).

(a) What are the parameters for such Restriction/Expropriation? For example, the nature of any stated public interest considerations, the proportionality of the proposed measure to the Restriction/Exploration.

See the answer to question 7 above.

(b) Is it relevant that such Restriction/Expropriation only applies in relation to a particular class of products, eg tobacco products, foods deemed to be unhealthy or alcohol?

No restriction exists in this respect.

(c) What are the financial consequences for the state and the trademark rights holder respectively? For example, is a rights holder entitled to or eligible for any compensation in respect of the Restriction/Expropriation? If yes, what type of rights holders are so entitled or eligible? If not, why is no compensation available?

See the answer to question 8 above.

(d) If compensation is available, how is it calculated?

See the answer to question 12 above.

(e) Does a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.

See the answer to question 12 above.

(f) In the event of Restriction/Expropriation, could a trademark remain registered?

See the answer to question 7 above.

(g) If yes, what is the consequence of any Restriction/Expropriation on a well known trademark that was registered prior to the Restriction/Expropriation?

See the answer to question 7 above.

16) If there is presently no legal framework in your country permitting Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).

(a) What legislative changes would be necessary in your country to implement a plain packaging regime for a specific class or classes of products such as those previously mentioned? For example, amendments to existing domestic trademark legislation, changes to your country's constitution, multilateral or supranational treaty obligations.

A new law/EC Regulation should be passed.

(b) Could a plain packaging regime be implemented in your country without providing compensation to affected trademark rights holders? If no, what type of rights holders would be entitled to or eligible for compensation? If yes, why would no compensation be payable?

If the plain packaging regime may be construed as an expropriation, an indemnity should be paid, according to Article 42 Italian Constitution. In this case the indemnity should amount to a "serious relief", linked to the value of the expropriated right (see Constitutional Court, 30 January 1980, No. 5 and all its subsequent decisions on this issue).

(c) Would a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.

Such a rule might be challenged as contrary to the principle of "equality" set forth by Article 3 Italian Constitution, whereby the legislator cannot introduce different rules for cases having the same underlying rationale (for instance, tobacco and alcohols).