

# Country correspondents

The Country correspondents section of *World Trademark Review* is a feature in which leading firms from countries across the globe take a detailed look at a specific topic affecting trademark owners

## Anti-counterfeiting

In this issue the correspondents consider various aspects of the fight against counterfeiting

### Australia

**Anti-counterfeiting solutions: following the international money trail** 50  
Baker & McKenzie  
*Loo Shih Yann and Robert Arnold*

### Benelux

**New attitudes to anti-counterfeiting in the Netherlands** 52  
SteinhauserHeeziusRijsdijk Advocaten  
*Paul Steinhauser*

### China

**Investigating anti-counterfeiting in China** 54  
Kangxin Partners PC  
*George Chan and Celia Li*

### European Union

**EU legislation and the fight against counterfeiting** 56  
Clifford Chance LLP  
*Vanessa Marsland*

### France

**France introduces tighter anti-counterfeiting provisions** 58  
Inlex IP Expertise  
*Franck Soutoul and Jean-Philippe Bresson*

### Germany

**Anti-counterfeiting law and practice in Germany** 60  
Jonas Rechtsanwalts-gesellschaft mbH  
*Nils Weber and Katja Grabienski*

### India

**Software counterfeiting in India: issues and implementation** 62  
Anand And Anand Advocates  
*Nishant Bora and Shantanu Sahay*

### Italy

**Anti-counterfeiting in Italy shows signs of improvement** 64  
Studio Legale Jacobacci & Associati  
*Alberto Camusso*

### Mexico

**Anti-counterfeiting in Mexico** 66  
Uhthoff Gómez Vega & Uhthoff SC  
*Jose Luis Ramos-Zurita*

### United States

**Anti-counterfeiting steps for US brand owners** 68  
Knobbe Martens Olson & Bear LLP  
*Jeffrey Van Hoosear*

# Anti-counterfeiting in Italy shows signs of improvement

Italy enjoys the dubious honour of being at the top of the list of producers and consumers of counterfeit goods in Europe. However, recent efforts may change this situation

Italy is often considered the cradle of arts and fashion – as well as counterfeiting. Ranking first in Europe and among the top five in the world in the production of counterfeit goods, Italy is often seen as a haven for IP rights infringers and hard turf for brand owners. But while many practitioners are sceptical about the effectiveness of legal remedies in the country, progress has been made over the past few years thanks to support from Customs and the courts.

## Italian definition

In the field of intellectual property, lawyers and brand owners use the term '*contraffazione*' (counterfeiting) to describe any act of infringement – regardless of whether:

- it applies to trademarks, designs or patents; or
- it is limited to simple interferences with exclusive rights rather than referring to acts of forgery.

This approach is supported by a legal system under which the same behaviour may constitute both counterfeiting (as this is understood outside Italy) – and therefore punishable under criminal law – and a simple infringement to be challenged through civil remedies.

The same broad definition also applies to customs surveillance and remedies, which are effective in Italy further to the implementation of EU regulations on this issue. Thus, the use by brand owners of customs measures may give rise to either criminal or civil proceedings, although the former are the rule in all customs cases. As neither EU Regulation 1383/2003 and its subsequent amendments nor the Italian implementing regulations provide a precise definition of what amounts to 'counterfeiting'

for the purpose of allowing the suspension or release of goods suspected to be counterfeit, reference is to be made to national rules.

## Legal framework

The Industrial Property Code clearly defines when a trademark is considered to be infringed: by the use of an identical or similar trademark on identical or similar products, whenever such identity or similarity is likely to create confusion as to the origin of the product. In contrast, the Criminal Code does not contain any such specific definition. This does not mean, however, that Italian law does not provide for severe penalties against counterfeiters.

Section 473 of the Criminal Code imposes prison sentences of up to three years and a monetary fine of up to €2,065 on any party found guilty of counterfeiting or altering a trademark.

Section 474 imposes prison sentences of up to two years and a monetary fine of up to €2,065 on any party found guilty of selling or offering for sale products bearing a counterfeit trademark, or importing counterfeits into Italy. This provision applies to all customs cases.

Lastly, Section 517 imposes prison sentences of up to one year and a monetary fine of up to €1,032 to any party found guilty of selling products bearing signs capable of deceiving the buyer as to the origin, provenance or quality of the product. This provision has a stricter scope of application than the other two provisions, but also covers cases which escape them.

The Intellectual Property Code was enacted in 2005 and was subsequently amended to add new remedies in Section 127. This provision offers the alternative, upon the rights holder's complaint, to prosecute counterfeiters through a monetary fine of up to €1,032.91.

All of the above applies only to registered trademarks. Pending applications cannot be enforced through criminal provisions.

## New trends

'Counterfeiting' has traditionally been interpreted by the courts as meaning all reproductions of an identical trademark on non-original products.

Criminal provisions require no risk of confusion; instead, they require the counterfeiting or alteration of the trademark. In the past, however, risk of confusion has been consistently taken into account by the courts, even the Supreme Court. In some cases, that court has acquitted defendants on the grounds that the sale of counterfeit items on the street did not pose a real threat because of the inherent, qualitative differences between the original products and those offered by the street vendors. In such cases, the Supreme Court admitted that the sale of such products – which could not create confusion among consumers since it was clear that the products were fake – was not even considered a crime.

In the past few years, however, and to the relief of many brand owners, the Supreme Court – later followed by most Italian courts – has started moving towards a more restrictive view. Circumstances of the sale (eg, cheap price or low quality of the goods) that can preclude any risk of confusion are no longer considered sufficient to avoid a criminal sentence. The courts and commentators are affording increasing importance to the notion of post-sale confusion with a view to strengthening the legal protection afforded by criminal provisions.

A more recent trend has also emerged in relation to protection granted on the basis

of criminal provisions to trademarks which have been reproduced, albeit with some modifications, to be used on goods that are similar to those bearing the original mark. The concept of so-called 'alteration' has therefore been clarified in recent decisions. Courts have held that the modification of non-essential features of a highly distinctive trademark do not preclude a finding of counterfeiting.

The trend started following a set of cases litigated on behalf of famous brand owners that included Gucci. The world-renowned GG logo was reproduced on fabrics, bags, belts and other accessories. In order to escape criminal penalties, the infringers used slightly modified versions of the well-known logo – that is, although they reproduced the overall impression of the GG logo, the counterfeits incorporated some slight differences. After some debate, the courts have come to consider that infringers include differences for the sole purpose of escaping criminal penalties, such that these small modifications thus constitute an infringement under Section 474 of the Criminal Code.

### Procedural issues

These criminal provisions can be enforced *ex officio*. This is because under the Criminal Code, counterfeiting is considered a crime against the public, which calls for the intervention of the public authority, regardless of whether the crime is prejudicial to the rights holder and its interests (which could be protected through civil remedies).

Accordingly, counterfeiting is usually tackled by the police, acting as delegates of the criminal courts. Although there is no need for any formal or specific request by the rights holders, in practice it is important that the trademark owners actively participate in any procedure.

Their participation usually starts with the investigation of infringers and the collection of evidence relating to the infringement. Criminal law expressly recognizes this investigative power of private parties. Brand owners usually hire investigators to gather documents, samples or other pieces of evidence which can then be submitted to the police with a view to obtaining their intervention without delay. In these cases, filing a complaint is usual, although it does not constitute a legal basis to proceed.

At a later stage, the police usually require an official confirmation from the brand owners that the goods seized are counterfeit – even though they are often



**Alberto Camusso**  
Partner, Studio Legale Jacobacci & Associati, Turin  
[acamusso@studiojacobacci.com](mailto:acamusso@studiojacobacci.com)

Alberto Camusso is a partner with Studio Legale Jacobacci & Associati, an IP boutique that has been ranked among the top Italian firms in all industry surveys since 1996 and is recognized as Italy's largest IP litigation firm.

After graduating *cum laude* from the University of Turin, Mr Camusso obtained a postgraduate diploma in international trade law and a postgraduate diploma in EU competition law from King's College, London.

Mr Camusso is a tutor on the World Intellectual Property Organization (WIPO) Master's in intellectual property, jointly organized by WIPO and the University of Turin, as well as on the postgraduate course in international trade law at that university. He frequently speaks on IP issues, including anti-counterfeiting and trade secrets.

His practice covers all aspects of intellectual property, both contentious and non-contentious. Mr Camusso is particularly active in devising and coordinating IP enforcement strategies and programmes on behalf of some of the most prestigious international brand owners which he has been representing for a decade.

blatantly so. These technical or expert statements are the basis of declarations by the Public Prosecutor's Office, which usually confirm the validity of the seizure. Criminal proceedings against the infringers are commenced subsequently.

Mark owners may also support the charges brought by the public prosecutor by filing defensive briefs or at least providing a

copy of the registered trademarks and other basic documentation to help the case proceed smoothly to trial.

Once the defendant is committed to trial, the rights holder may become a '*parte civile*' (ie, party damaged by the offence) in order to obtain a decision which, in addition to the criminal penalties that are independent of the parties' initiative, may grant damages.

Although a first instance decision is suspended until it becomes final, it is possible for the damaged party to seek and obtain damages from the first instance court on a preliminary basis. Although this is rare, the award of damages is increasingly frequent where it is independent of the proof of actual damages and simply depends on the seriousness of the infringement.

The duration of a criminal case for counterfeiting may still vary significantly, depending on the court. No criminal sanction has pre-emptive effect: in other words, even in the course of criminal proceedings, it is possible that the infringer will continue selling counterfeit items; legally speaking, a previous seizure or the criminal case pending against the defendant does not prevent it from doing so.

Therefore, the use of criminal penalties combined with other remedies (eg, civil injunctions) is very effective in putting an end to the infringement.

### Pitfalls and perspectives

The overall effectiveness of the remedies described above is often weakened by other legalities which make it very difficult to act expeditiously or to prosecute networks of counterfeiters that are sometimes linked to organized crime. In such cases, which are far from unlikely in certain areas of the country, a greater degree of coordination between the magistrates and the police would be helpful, coupled with a clear policy pointing towards higher penalties.

In this respect, a number of measures are being discussed in Parliament so as:

- to strengthen the police's investigative powers with regard to counterfeiting; and
- to make criminal sanctions a sharper deterrent for infringers.

Much has been achieved, but certainly the road ahead is still long and perilous. Rome was not built in one day; the war on fakes will probably take just as long. [WTR](#)