

Bugnion SpA

# Protecting designs and the exterior appearance of products

Whether obtaining protection for 3D trademarks and designs or utilizing unfair competition laws, a range of protections are available to mark owners in Italy

Shapes in Italy can be protected using the following measures:

- three-dimensional (3D) trademark protection;
- unfair competition principles, pursuant to Article 2598 of the Civil Code; and
- design protection.

## 3D trademarks

Trademark law provides the most comprehensive protection for an object's appearance because:

- trademark protection is potentially indefinite; and
- trademarks involve the individuality of registrants due to their power as identifiers of origins.

Nonetheless, the Supreme Court has refused trademark registrations where the shape of the product is purely functional. In *Robert Diffusione srl v Luis Vuitton Malletier* (Case 7254, March 18 2008), the court's ruling focused on a 3D trademark registration for a particular leather product (the so-called 'granopaglia'). The court found that if the shape at issue results from a standardized process, no protection will apply according to Article 9 of the Industrial Property Code:

*"The exterior aspect, when it is intrinsic to the nature of the product, should be evaluated in terms of functionality, meaning the shape helping to perform the utility peculiar to the particular product... A strict application of such a principle might result in barring any kind of three-dimensional shapes from being registered as a trademark. In fact, whatever the shape of product is (even original), it assures the product's belonging to its own type and guarantees its own particular functionality... The material of which a product (or part of it) is composed of has its own shape as well... However, in the majority of cases such material is not*

*naturally shaped. For instance, wood, steel and other metals, plastic, fabric, glass etc, do not have their own shape but they acquire a particular kind of shape just after being manufactured."*

Italian trademark law and case law fully apply to 3D trademarks. Both registered and unregistered trademarks are protected, although the latter can benefit from protection only if the shape/designation has acquired distinctive character (and is not merely locally well known).

## Unfair competition

Pursuant to Article 2598(1) of the Civil Code, an unfair competitor is someone that:

- uses names or distinctive signs to create confusion with names and distinctive signs that are legitimately used by others;
- slavishly imitates a competitor's products; or
- creates (by other means) confusion among consumers between its own products and those of its competitors.

Often counterfeiters find loopholes in design and trademark law to violate a rights holder's rights over its product's shape. However, shapes and packaging can benefit from some residual protection to protect rights holders in such circumstances.

One of the most common cases of unfair competition is where there are concrete differences between two products' shapes/packaging, but similarity in the overall impression that the products present. This often occurs when the features are different if examined closely, even if only the key features of the original products have been reproduced.

Italian court decisions in this area are often based on two borderline principles. The first of these is unfair competition over the

broad principles of so-called 'professional fairness'. The second is unfair competition by narrower and stricter analysis and comparison between the products.

In *Amica Chips SpA v Saiwa SpA* the Court of Naples held that the product's secondary features – including its red colour and other small elements – contributed to its appearance and were relevant to the counterfeiting analysis.

Often, Italian courts decide trade dress cases based on general principles of unfair competition.

## Designs

Designs protect the shape of a product or a particular part of it, independently of its distinctive character. In other words, the appearance and what is visually noticeable are the only claims that can be made in a design application. As a result, courts must take into account such aspects when ruling on counterfeited designs.

Contrary to trademarks, designs are not identifiers of origin. In addition, the peculiar likelihood of confusion standards for trademarks do not apply, as products' origins do not matter in design infringement proceedings: exterior and visual aspects are the only relevant factors.

The recent implementing regulation, enacted on January 13 2010 and published in the *Official Gazette* on March 9 2010, has confirmed a fundamental difference between Italian statutory law and the EU Community Design Regulation (6/2002). Pursuant to Article 36.6 of the regulation, any explanation relating to Community designs for which registration is sought "shall not affect the scope of protection of the designs as such". Accordingly, Italian jurisprudence has found that designs and models consist of their graphic/photographic representation (ie,

nothing more than their visual aspects). (See, among others, Court of Naples Cases 34367/03 of May 12 2006 and 34368/03 of March 3 2006.)

However, these statements relating to Community designs do not apply to Italian designs. In fact, the new Italian statutory law (Article 25.7 of Decree 33/2010) provides that a description of a design can be accompanied by one or more claims in connection with the object for which registration is sought. This leads us to infer that these so-called 'claims' – conceptually much closer to patents than to designs – might influence the scope of the design's protection by precisely identifying the objects at issue.

#### Particular issues for designs

Particular issues have been raised regarding trade dress when design protection is sought for two-dimensional (2D) stylized features of a product.

Decree 33/2010 introduced important innovative principles, which mark a big difference between Italian design law and Community design law.

Various trademarks have sought and obtained protection as both trademarks and as designs. This raises crucial questions about the scope of protection for designs that could be (and most often are) trademarks. In other words, the legislature has drawn a clear distinction between trademark and design protection. However, this in turn has raised issues about the visual appearance of designs versus distinctive signs which function as source identifiers.

There can be many reasons why trademark owners seek both trademark and design protection for the same subject matter.

First, designs (and design protection) can apply to "an infinite range of products and services" (Case R 609/2006-3, Office for Harmonization in the Internal Market's Third Board of Appeal, point 27). As a result, there is no limitation in terms of goods/services protection. In addition, it is not necessary for genuine use of a design ever to be made in order for protection to apply.

However, despite the breadth of protection, design registrations potentially lapse after 25 years, while trademark protection is virtually infinite, making it the more valuable of the two.

In addition, the standards used to evaluate design infringement state that products should be compared from a visual point of view only and no mention of conceptual and phonetic aspects may be brought to bear, as could be the case for



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trademarks. Moreover, the relevant consumers for designs (which makes a big difference in terms of likelihood of confusion standards) are so-called 'informed users'. Such users are understood to pay keen attention to designs, meaning that there is a higher possibility that infringers will be able to overcome the allegation of counterfeiting. By contrast, evaluations of trademark infringement focus on so-called 'average consumers', who have a less clear idea of the trademarks at issue, as they rely on memory.

The Italian legislature has made clear mention of such issues and provided a solution. Article 26 of Decree 33/2010 states: "The protection of special word-elements and signs aimed at distinguishing products, may only be sought by trademark law submitting a new application." However, not only is the purpose of this precise rule unclear, but its application is also obscure, especially in connection with 'special' word elements or signs. It appears that Italian examining attorneys analyzing design applications are supposed to detect any potentially distinctive character in 2D designs and refuse registration on these grounds. This means that examiners prosecuting designs must adopt the opposite reasoning to that used by trademark examiners (ie, they are looking for distinctive character as a reason to refuse designs, as opposed to looking for lack of distinctive character to refuse trademarks).

In response to attempts by applicants to combine or mix up the two different types of protection and seek registrations based on trademark/design principles shopping, the Italian legislature is cracking down on incorrect applications for protection, which can sometimes indicate bad faith. [WTR](#)