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# Infringement of IP rights: civil remedies in Italy

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## **CIVIL REMEDIES: an overview**

- Injunction / order for recall of the goods from the market place
- Penalty to secure compliance
- Destruction
- Assignment to the right's owner
- Description and seizure
- Damages
- Disgorgement of the infringer's profits
- Publication of the decision

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## General Principles

### proportionality and effectiveness

- European Directive No. 48/2004: effective, proportionate and dissuasive (Article 3.2);
- Italian Industrial Property Code (“IPC”): necessary proportion between the seriousness of the infringement and the sanctions, also in the interests of third parties

#### ***Interim measures:***

- In Italy the most efficient course of action: 2/3 months vs. 2/3 years of ordinary civil proceedings;
- On the basis of a pending application, whether: *i)* the application has been published; or *ii)* the application has been served;
- Injunction / Penalty to secure compliance: permanent;
- Ex parte (in exceptional cases) / contradictory
- Drawback: no damages (but negotiations’ tool)



( I )

## Injunction / recall order

Inherent remedy to exclusive rights

(i.e. the right to prevent all third parties from using the sign/design)

- Through interim proceedings (permanent) / ordinary civil proceedings;
- Recall order: involving sellers (strong tool in negotiations);
- Penalty to secure compliance (permanent): for each infringement and/or for each day of delay to comply (recall order, publication);
- Violation of injunction: new Article 388 Criminal Code (up to three years of detention);



( II )

## Seizure

It may concern

1. Infringing items
2. Production's means
3. Pieces of evidence (infringer's accounting books)

*Interim* Proceedings (not permanent) / Ordinary Civil Proceedings

## ( III )

### Description

- It may concern:
1. Infringing items
  2. Production's means
  3. Pieces of evidence (infringer's accounting books)

*Interim* proceedings (not permanent) / necessarily *ex parte*;

Whenever it is impossible to find evidence of the infringement otherwise;

Rather easy to obtain: “color of the right” assessed less strictly.

## ( IV )

### *Miscellanea*

1. Exhibition of accounting information (ordinary civil proceedings). It can be followed by a technical expertise;
2. Information regarding distribution channels, suppliers etc. (interrogatory): duty to tell the truth (against the Constitutional principle “*nemo tenetur edere contra se*”?)
3. Piracy (evident / willful / systematical infringement): seizure of infringer’s bank account / goods; bank information;
4. Destruction of infringing items / removing infringing elements (very rare);
5. Assignment to the right’s owner of: i) infringing items; ii) production’s means (very rare: may be combined to damages);

( V )

## Damages

### 1) *Lucrum Cessans*:

- a) Lost profits (very complex evidence);
- b) Infringer's profits (as indicator of owner's lost profits);
- c) Reasonable royalty: minimum level of damages (sometimes it is increased by the Court for deterrence's purposes: Court of Vicenza, 17 June 2002, *Lafer*).

### 2) *Damnum Emergens*:

- a) Expenses incurred by the right's owner (investigations, researches, opinions, C&D letters: Court of Milan, 23 May 2016, *Cova v. G. Cova*);
- b) Prejudice to the trademark/owner's image (Court of Milan, 9 March 2017, *Falabella*; Court of Rome, 9 December 2014, *Luna Rossa*)
- c) Prejudice to the monopoly position (App. Milan, 27 September 2007)



## ( VI )

### Disgorgement of profits

- “In any case”: willfulness is not a condition;
- Case-law: not all the profits, but only those “attributable” to the infringement (hypothetical judgement: Court of Milan, 4 March 2014, *Soy Dream*; Court of Milan, 20 March 2014, *San Carlo v. Amica Chips*);
- Gross / net profits: turnover less (only) variable costs or a portion of fixed costs (attributable to infringing product);
- Independent from award of damages: *inter alia*, statute of limitation (10 years instead of 5 years)

## ( VII )

### Publication of the decision's ruling

- *Interim* proceedings (not often) / ordinary civil proceedings;
- Double function: deterrence and reparatory of the prejudice incurred by the owner (Court of Milan, 14 December 2015, *Marco Pantani*);
- In newspapers and magazines (at infringer's expenses);
- Recently: on infringers' websites (in the homepage, not through a link: Court of Milan, 31 October 2018), and social network pages;
- Equitative remedy;
- (Very) effective negotiation tool.

## ( VIII )

### Legal fees

- Depending on the case (and on the Court);
- According to the Professional law criteria, but the Judge has ample discretion;
- Set off, whether: uncertain law issues; reciprocal claims' dismissal

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*Thank you!*

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