

National Group: **AIPPI Italian Group**

Title: **Trade Marks and the Internet
and Social Media**

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Questions

I. Current law and practice

Please answer the below questions with regard to your Group's current law and practice.

- 1) In your Group's current laws or regulations, are there any provisions that specifically concern trade mark protection on the internet or social media? Please answer YES or NO. If YES, please list these.

YES. These are, on one hand, art. 133 of the Italian Code of Industrial Property, which expressly mentions domain names used on the market as distinctive signs; and, on the other hand, as for regulations, the administrative procedure for reassigning domain names (including temporary reassignments) as well as the best practices indicated by the Authority for the competition and fair trading (i.e. AGCM) with reference to influencer marketing.

With regard to influencer marketing, we also point out that there is the Digital Chart Regulation of the Istituto dell'Autodisciplina Pubblicitaria (IAP).

- 2) Is there any authority in the country or region of your Group which deals with trade mark infringement matters on the internet or social media, which is different from the authority for traditional off-line trade mark infringement matters? Please answer YES or NO. If YES, please specify which.

YES. In Italy there are the Authority for the competition and fair trading (i.e. AGCM) and the Communications Authority, which are administrative independent Authorities. Please also note that, with specific reference to country code top-level domain (ccTLD) .it, there are also the Italian Registry. i.e. the Authority competent for domain name registration as well as the authorized Dispute Resolution Service Providers (DRSPs). However, these authorities do not have exclusive jurisdiction: the Company and IP Specialized Divisions set up in 22 Italian Courts and Courts of Appeal, which deal with offline infringement, also deal with online infringement.

- 3) Is there any special mechanism/procedure available in the country or region of your Group to handle trade mark infringement matters on the internet or social media? Please answer YES or NO. If YES, please clarify which.

YES. In Italy there are reassignment proceedings of domain names with ccTLD. it. before the DRSPs, and the notice procedures before the Istituto dell'Autodisciplina Pubblicitaria (IAP), i.e. the Italy's advertising standards Authority, which is a private entity regulating advertisements to ensure that the information to consumers is

correct and fair.

The reassignment procedures are governed by rules similar to the ones provided by the Uniform Domain Name Dispute Resolution Policy ("UDRP"), adopted by ICANN. These procedures are administered by authorised Italian DRSPs. These procedures are meant to guarantee that legitimate trade mark owners obtain transfer of disputed domain names.

- 4) What ways of use of a trade mark on the internet and social media might constitute trade mark infringement if there is no permission from the trade mark owner? Please choose one or more answers from the following choices:

As a premise, we point out that in Italy – as well as in the other European Union countries – only uses made in the economic activity may amount to trademark infringement. Therefore, all the uses indicated here below might constitute trade mark infringement, provided that: (i) they are used in the economic activity and (ii) they actually interfere with the functions of the trade mark or other distinctive signs to be protected. Consequently, they fall within the hypothesis of potential infringement depending on the specific case involved.

We also point out that, according to art. 20 of the Italian IPC the protection of reputed trade marks covers both distinctive and non-distinctive uses, in accordance with the article 5, paragraph 5 of the Directive 89/104/ECC, which recognises that Member States are free to qualify also non-distinctive uses as potentially infringing.

All the following answers have to be considered.

- a) use to sell a product or service online;
- b) use as a keyword (in a search engine or ranking at a platform);
- c) use as a metatag;
- d) use as a hashtag;
- e) use in a review posting;
- f) use as the name of a social media account or an online shop name;
- g) use for a comparison;
- h) use to endorse or promote another party's product or service;
- i) other namely

- 5) Are there any different tests applying to online trade mark infringement compared with traditional off-line trade mark infringement? Please answer YES or NO. If YES, please state which.

NO. In principle, the tests for online trade mark infringement are the same as those for traditional off-line trade mark infringement but with some adaptations.

However, please note that the Italian case law expresses some principles such as, for instance, that the registration of a domain name that contains another party's trade mark constitutes per se trade mark infringement whenever it allows to create a link between the infringer's activity and the one carried out by the right holder, thus allow the infringer to taking unfair advantages of the reputation of the trade mark (see, Italian Court of Cassation, February 21st 2020, no. 4721). Moreover the use of another party's trade mark as a keyword in the context of a paid positioning service on an Internet search network (in that case, Google, AdWords ads) is qualified as illicit when such advertising does not allow the average user to understand whether the products indicated in the advertisement come from the owner of the trade mark or from a company economically connected to its or instead from a third party (see, Court of Milan, October 22nd 2010). Lastly, the use of a "meta-tag" equal or similar to the trade mark of another party is qualified as infringing even if the meta-tags are not visible because they are still capable of indirectly influencing the choice of the consumer. In particular, the use of another party's trade mark within a "meta-tag" to identify one's own site constitutes trade mark infringement under Articles 12 and 22 of the IPC, especially when that entity using the other party's trade mark operates in the same sector of goods as that in which the trade mark owner is active (see Court of Milan, February 20th 2009).

- 6) What factors are taken into account when assessing whether there is jurisdiction regarding the use of a trade mark online (on a website or app)? Please choose one or more answers from the following choices:

As a premise, it should be noted that in order to assess if a trade mark infringement falls within Italian jurisdiction, it shall be looked, firstly, at whether that commercial offer at issue is intended for the Italian country or not.

- a) whether the consumers in your country or region can access the website or app; **no, it is not sufficient the mere visibility, since it is necessary the offer/commercial message.**
- b) whether the server of the website or app is located in your country or region; **yes**
- c) whether the website or app uses a local language of your country or region; **depending on the single case; if the language is Italian, it is clear that the website is addressed to Italian consumers but if the language is English further elements are needed.**

- d) whether the website or app allows to pay in the local currency of your country or region; **no, because almost all website and app allow to pay in specific currency despite the nationality of the user/client.**
 - e) whether goods/services are delivered to consumers in your country or region by the user of the trade mark on that website or app; **yes**
 - f) whether there is any business facility of the user of the trade mark in your country or region; **no, unless there are further elements that indicate that the online offer is directed to local consumers**
 - g) whether there are any promotional activities targeting consumers in your country or region by the user of the trade mark; **yes, provided that they imply the use of the infringing sign.**
 - h) other, **namely whenever the communication actually provides a promotional function affecting users in a specific country**
- 7) a) Can the use of another party's trade mark as a keyword in keyword search advertisement services¹ without the trade mark owner's permission infringe that trade mark? Please answer YES or NO.

YES

b) If YES, under which conditions is trade mark infringement established?

On condition that one or more of the functions of the trade mark are infringed. The Court of Justice (in the case C-323/09 - Interflora) on the possibility of considering the use of someone else's trade mark as a keyword as trade mark infringement, stated that: "*it is relevant (i) that the advertisement concerned is liable to lead some members of the relevant public to believe, incorrectly, that the advertiser is a member of the trade mark proprietor's commercial network and (ii) that the provider of the internet referencing service does not permit trade mark proprietors to prevent signs identical to their trade marks being selected as keywords*". Such principles have been commonly applied by the Italian Courts.

- 8) a) Do one or more online market platforms in the country or region of your Group² provide services to stop trade mark infringement on their platform? Please answer YES or NO.

YES

¹ Keyword search advertisement refers to such an advertisement wherein the information about the keyword buyer or any party the buyer appoints appears alone in the search result or in the front or at a prominent position of the search results when one conducts the search with such keyword.

² Herein "online market platforms in the country or region of your Group" refers to those local online market platforms or those international ones that operate in your country or region.

b) If YES, what services are provided? Please tick the below boxes that apply (in the comment box you may specify if these differ for different platforms):

notice and take-down

shop-shut down

initiative policing and investigation of trade mark infringement

authentic products verification

trade mark recording system

other, namely...

- **Notification systems:** these allow the trade mark's owner to report listings that are potentially infringing his/her IP rights. There are many different systems, including web forms that guide him/her through the notification process, or forms that can be downloaded and sent by email. Marketplace system typically require trade mark's owner to provide information about his/her company, his/her IP rights and the allegedly infringing listings.

- **IP protection programmes:** these are put in place by a limited number of marketplaces to support cooperation with IP owners. They offer different functionalities, but typically provide a simplified process to notify any allegedly infringing listings and a dashboard to keep track of notifications and their outcomes. They may also offer tools that facilitate searches for listings that may infringe IP rights.

- **Contact point:** this provides assistance in case of any issue using a notification system or joining an IP protection programme. Conversely, some marketplaces do not have notification systems or forms. In this case, any IP infringements may have to be reported by email to the contact point with no specific format.

- 9) a) According to your Group's current laws and practice, can a social media influencer bear liability for his or her endorsement of a product or service infringing another party's trade mark? Please answer YES or NO.

It depends. Influencer and potential influencer usually perform economic activity to promote themselves online. In this case, their practice may constitute infringement of another party's trade mark. On the other hand, if the influencer's use of the trade mark is not economic, then Article 21 of the Italian Constitution applies and therefore the freedom of speech exemption applies. This last scenario may sometimes be qualified as defamation, punished by criminal law or as liability under Article 2043 of the Civil Code.

b) If YES, under which conditions is trade mark infringement established?

According to an order of the Court of Genoa dated February 4th, 2020 (case Philipp Plein vs Ferrari) the use of third-party trade marks can be considered lawful only if authorized by the owner or if it is unavoidable, because it is visible on the "*products normally used by the person represented to carry out the published action*". Otherwise, the use of a third party's

trade mark must be considered abusive when "*the images reproduced by the influencer cannot find any other meaning, for the users of social media, than commercial and advertising*".

Also the AGCM has stated on influencer marketing disputes: please see, for instance, decisions Nos. 27787 of May 22nd, 2019 and 28084 of March 16th, 2020. In these cases, the AGCM stressed that influencers are liable when they engage in misleading advertising, i.e. share advertising messages deceptively presented as a spontaneous sharing of the daily life of people well-known to the public, without any kind of warning or reminder about the advertising nature of the content.

II. Policy considerations and proposals for improvements of your Group's current law

- 10) Could your Group's current law or practice relating to the use by third parties of trade marks on the internet and social media be improved? If YES, please explain.

Yes. We are satisfied with our current law and practise; however, some improvement could be useful, firstly, in relation to ambush marketing.

It might also be worth reconsidering criminal law protection. In fact, it is true that in Italy there is a general rule, i.e. Article 517-ter of the Criminal Code, which punishes in general all deliberate conducts constituting a violation of IP rights, but only limited penalties are currently provided.

Furthermore, it would be better to consider also the potential liability of the consumers who are aware that they are buying infringing products: this means that, in these cases, a new balance should be reached between data protection rights and consumer rights, without the necessary prevalence of the latter when the consumer is performing an illicit activity.

Lastly, another issue concerns the liability of platforms, which is currently attenuated and appropriately regulated only for copyright infringements thanks to the recent Directive EU 2019/790. A general rule including all IP rights should be adopted.

- 11) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

We consider that it would be important to raise awareness among entrepreneurs (both companies and influencers) on the instruments for the protection of IP rights throughout education activities.

III. Proposals for harmonisation

Please consult with relevant in-house / industry members of your Group in responding to Part III.

- 12) Do you believe that there should be harmonisation in relation to trade mark protection on the internet and social media? Please answer YES or NO.

YES

If YES, please respond to the following questions without regard to your Group's current law or practice. Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.

- 13) Should there be any provisions that specifically concern trade mark protection on the internet or social media? Please answer YES or NO.

NO, there should be no derogations but only adaptations to the general principles.

- 14) Should there be any authority to deal with trade mark infringement matters on the internet or social media, which is different from the authority for traditional off-line trade mark infringement matters? Please answer YES or NO.

YES, it would certainly be useful to set up administrative authorities, provided that they are international, able to offer very rapid protection in this area in addition to the protection already offered by the judicial authorities.

- 15) Should there be any special mechanism/procedure to handle trade mark infringement matters on the internet or social media? Please answer YES or NO.

YES, it would be useful to have administrative authorities capable of carrying out very rapid take-down measures

- 16) What ways of use of a trade mark on the internet and social media should constitute trade mark infringement if there is no permission from the trade mark owner? Please choose one or more answers from the following choices:

- a) use to sell a product or service online;
- b) use as a keyword (in a search engine or ranking at a platform);
- c) use as a metatag;
- d) use as a hashtag;
- e) use in a review posting;
- f) use as the name of a social media account or an online shop name;
- g) use for a comparison;

- h) use to endorse or promote another party's product or service;
- i) **other, namely**

All the above under conditions provided that they are used in economic activities.

- 17) Should there be any different tests applying to online trade mark infringement compared with traditional off-line trade mark infringement? Please answer YES or NO. If YES, please state which.

NO, the tests for online trade mark infringement should be the same as those for traditional off-line trade mark infringement with some adaptations.

What factors should be taken into account when assessing whether there is jurisdiction regarding the use of a trade mark online (on a website or app)? Please choose one or more answers from the following choices:

- a) whether the consumers in your country or region can access the website or app; **no, it is not sufficient the mere visibility, since it is necessary the offer/commercial message.**
 - b) whether the server of the website or app is located in your country or region; **yes**
 - c) whether the website or app uses a local language of your country or region; **depending on the single case; for instance, if the language is Italian, it is clear that the website is addressed to Italian consumers but if the language is French, it is more complicated because it could be destined to African States too. On the other hand, if the language is English the answer must be no.**
 - d) whether the website or app allows to pay in the local currency of your country or region; **no, because almost all website and app allow to pay for instance in specific currency despite the nationality of the user/client.**
 - e) whether goods/services are delivered to consumers in your country or region by the user of the trade mark on that website or app; **yes**
 - f) whether there is any business facility of the user of the trade mark in your country or region; **no**
 - g) whether there are any promotional activities targeting consumers in your country or region by the user of the trade mark; **yes, this is the most important factor to be taken into account other, namely whenever the communication actually provides a promotional function affecting users in a specific country**
 - h) other, namely **whenever the communication actually provides a promotional function affecting users in a specific country**
- 19) a) Should the use of another party's trade mark as a keyword in keyword search advertisement services³ without the trade mark owner's permission infringe that trade mark? Please answer YES or NO.

YES

- b) If YES, under which conditions should trade mark infringement be established?

³ Keyword search advertisement refers to such an advertisement wherein the information about the

YES, on condition that one or more of the functions of the trade mark are infringed.

- 20) a) Should online market platforms provide services to stop trade mark infringement on their platform? Please answer YES or NO. **YES**

The Copyright Directive rules should also apply to distinctive signs.

b) If YES, what services should be provided? Please tick the below boxes that apply:

- notice and take-down **YES**
 - shop-shut down
 - initiative policing and investigation of trade mark infringement
 - authentic products verification
 - trade mark recording system or other, namely, **platforms should be given the same liability as all other physical intermediaries involved in economic activity. Platforms should not be held liable only in the event that they became aware of the existence of the offence and yet failed to take appropriate measures. They must be called on to take appropriate measures from the very beginning.**
- 21) a) Should a social media influencer bear liability for his or her endorsement of a product or service infringing another party's trade mark? Please answer YES or NO.

YES

b) If YES, under which conditions should trade mark infringement be established?

Whenever social media influencer carries out economic activity

Other

- 22) Please comment on any additional issues concerning any aspect of trade marks and the internet and social media you consider relevant to this Study Question.
- 23) Please indicate which industry/cultural sector views provided by in-house counsel are included in your Group's answers to Part III

