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Defending your mark against dodgy filing practices by trademark bullies will now be easier in Italy thanks to opposition proceedings.

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Measuring the racing pulse of brand owners and trademark practitioners in Italy awaiting the upcoming oppositions.

The Italian PTO has pulled off a difficult feat by achieving the unexpected, being ready to face opposition proceedings as of 1 July next, in line with the cautious announcement of an imminent launch only a couple of months ago.

Bad reputations are hard to shake but the Italian PTO seems to have been renewing and improving the office's practice as well as speeding up processing time in such an impressive way as to have silenced (nearly) all criticism. Considerable resources have been devoted to clearing the examination backlog, completing examiner training for oppositions and creating the standard notice of opposition, as well as the Official Bulletin for the publication of Italian trademark applications.

In sharp contrast with the 2011 leap forward, until last year the implementation of the opposition proceedings seemed to take one step forward and two steps back: having been introduced into Italian legislation back in 1999 and confirmed in the 2005 IP Code, the opposition procedure remained a dead letter until 2010, when Implementing Regulation No 33/2010 and Legislative Decree No 131/2010 (amending *inter alia* some of the provisions relating to trademark oppositions in the IP Code) were adopted. The recent adoption of the so-called "Opposition" Decree last May has paved the way for the official activation of the new procedure.

Much of the opposition procedure has been inspired by the analogous OHIM procedure, although it contains some conspicuous differences.

The good, the bad and the ugly sides

A **decision** must be handed down **within 24 months from the date of filing of the opposition** (without taking into account the cooling-off period and the period during which proceedings may have been suspended, such as in the event of an opposition based on a pending application or on a mark against which cancellation proceedings are pending where a suspension has been requested by the owner of the opposed mark).

Unlike in the Benelux or France, where a phased introduction of the opposition procedures was adopted in order to give the respective PTOs time to gain experience and adapt their internal organization, in Italy applications filed as of 1 May 2011 in **all classes** will be immediately open to opposition.

The **cooling-off** period will expire two months from the notification of admissibility. It can be extended upon joint request by the parties by up to a **maximum of one year** (as opposed to the OHIM's two-year maximum limit).

Like the OHIM, the Italian PTO allows the applicant to request that the opponent submit **proof of use** of any registration on which the opposition is based if granted more than five years before the date of publication of the opposed application. This proof must be submitted within the extendable deadline of 60 days from the receipt of the notification to do so, in the absence of which the opposition will be rejected.

The **official fees** for lodging an opposition are **minimal** compared with e.g. the Benelux Office fees (they amount to 250 Euros, to be paid prior to the filing of the opposition).

The apportionment of costs is determined in the decision of the PTO, that may award costs to the winning party of up to a maximum of **300 Euros** in **professional fees** in addition to the refund of the **official** opposition **fees** of **250 Euros**.

The introduction of the new procedure will **avoid some distorted behaviour of the past**, when Italy was sometimes chosen as the country of origin for international registrations in order to render central attacks as complicated as possible (since the only means of attacking an Italian trademark before now was by starting legal proceedings before the Italian courts). Also, trademark owners surely will less easily tolerate the existence of confusingly similar marks, and some expensive court proceedings will be avoided.

The signs that may serve as the **basis** for an opposition in Italy, however, are **limited**:

(i) Identical or similar marks covering identical or similar goods/services
An opposition may be filed only by the owner or exclusive licensee of an earlier Italian, Community or International trademark registration or application designating Italy against a later mark which is identical to or resembles the earlier trademark and has been applied for for identical or similar goods/services.

(ii) Certain non-registered rights failing prior consent to register them as trademarks
In addition, an opposition can be filed on the basis of 1. image rights, 2. personal name other than the applicant's name if its use in the trademark may harm the reputation of the person entitled to bear the name, 3. well-known personal names, 4. well-known signs used in the artistic, literary, scientific, political or sporting fields, and 5. well-known names or initials or characteristic emblems of events and of non-profit bodies.

This means that generally **no** opposition can be filed on the basis of unregistered rights or copyrights (except in the specific cases set out above under *(ii)* 1.-5.), nor on company names or domain names. It is also not possible to invoke bad faith or the reputation of an earlier mark registered or applied for for dissimilar goods/services. Therefore, in the absence of a voluntary cancellation, the only means of attacking a trademark on the basis of the above grounds remains the filing of a cancellation action before the IP section of the competent Italian court. The same goes for obtaining the revocation (e.g. extinction of rights through non-use) of a trademark: the grounds for revocation can only be invoked before the court.

The opponent should immediately state the **grounds of opposition** in the opposition notice. For the time being, it is however unclear whether the **explanation of the opposition grounds** should be filed immediately with the opposition notice (in which case the parties would not have the chance to explore the possibility of an amicable settlement without incurring the costs of drafting the explanation of grounds) or after the expiry of the cooling-off period instead (as is the case in OHIM opposition proceedings). It is expected, nevertheless, that the Italian PTO will issue guidelines that will mirror the OHIM procedure and allow the submission of the explanation of the opposition grounds along with any other argument and evidence in support of the opposition within two months from the expiry of the cooling-off period.

Recommendations for businesses

Unlike the OHIM, in the event of an application for a potentially conflicting sign, the Italian PTO does not draw up a search report and thus does not inform the owners of earlier Italian trademark registrations or applications (nor, for that matter, the owners of international marks designating Italy) about the new application. In light of the *non-extendable* opposition timeframe of 3 months from the publication of the younger mark, it is therefore essential to put into place a **trademark watch service** to timely identify identical or similar trademark applications. Trademark owners who do not file opposition in time will be faced with considerably higher costs when they are obliged to start cancellation proceedings before the courts.

As the grounds for opposition are limited (as stated above, an opposition cannot be based on earlier unregistered rights nor on well-known trademarks registered or applied for for dissimilar goods/services), the (**application for) registration of signs used in trade** in the classes of current or potential interest is more important than ever in Italy.

Exclusive licensees should make sure that they have the written consent of the licensor to lodge an opposition if their license agreement does not specifically entitle them to do so.

Prior right holders that intend to file an **opposition** on the basis of a trademark **subject to user requirements** should have sufficient **evidence ready to prove genuine use**, failing which the opposition will be rejected.

Conclusion

It goes without saying that the introduction of a trademark opposition procedure is a welcome addition to the Italian legal system. The opposition proceedings will operate in most cases as a means of exerting pressure in order to quickly and effectively achieve the desired outcome of removing an infringing trademark application from the register. Therefore, some expensive court proceedings can surely be avoided.

However, given the limited powers of the Italian PTO, an opposition in an actual infringement case might only serve as a means of exerting pressure. Also, since it is not possible to invoke all infringement criteria nor to file an injunction, the scope of an opposition is limited. Therefore, it will remain important in certain cases to assess whether filing an opposition is the best option. On the other hand, for the purpose of monitoring and keeping (future) competitors at a distance, the new opposition procedure will undoubtedly be an ideal and cost-effective resource.

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