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Final Thesis

TRADEMARK COUNTERFEITING:

**A comparative analysis between Chinese and
Italian legislation, with a focus on the recent**

**Ermenegildo Zegna trademark
counterfeiting case.**

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To my family.

To my parents and to the fundamental support they have given me in these months.

INDEX

ENGLISH INTRODUCTION.....	pag. 6
CHINESE INTRODUCTION.....	pag. 11
LIST OF ABBREVIATIONS USED IN THE TEXT.....	pag. 14

CHAPTER 1

INTERNATIONAL AND HISTORICAL BACKGROUND.....	pag. 15
TRIPS AGREEMENT.....	pag. 24
NATIONAL LEGISLATION.....	pag. 26
The Italian Industrial Property Code.....	pag. 27
THE CHINESE LEGISLATION ON TRADEMARKS.....	pag. 29
China's first Trademark laws (1982 and 1993).....	pag. 30
China and the World Trade Organization (2001).....	pag. 34
CHINA'S CONTEMPORARY ASSET: China's 2014 Trademark law.....	pag. 37

CHAPTER 2

TRADEMARK: A GENERAL ANALYSIS.....	pag. 41
Validity requirements of trademarks.....	pag. 46
Registered and non-registered trademarks.....	pag. 47
A COMPARATIVE ANALYSIS BETWEEN THE ITALIAN AND CHINESE LEGISLATION.....	pag. 48
Trademark registration.....	pag. 48
Nullity, extinction and transferring of a trademark.....	pag. 55
A RELATED PROBLEM: UNFAIR COMPETITION AND COUNTERFEITING PHENOMENON.....	pag. 59
TRADEMARK COUNTERFEITING.....	pag. 62
Trademark counterfeiting according to the Italian law.....	pag. 64
Trademark counterfeiting according to the Chinese law.....	pag. 66

CHAPTER 3

COUNTERFEITING IN CHINA.....	pag. 69
Analyzing the phenomenon in the Chinese society.....	pag. 70

AVOIDING COUNTERFEITING: TOOLS OF PROTECTION.....	pag. 73
Administrative and custom protection.....	pag. 76
Judicial protection.....	pag. 79
COUNTERFEITING IN LUXURY INDUSTRY.....	pag. 84
CASE STUDY: ERMENEGILDO ZEGNA VS YVES ZEGNOA.....	pag. 88
ERMENEGILDO ZEGNA: Brand history.....	pag. 88
Chinese text.....	pag. 91
English Translation.....	pag. 97
Analysis and comment.....	pag. 110
FINAL QUESTION: IF THE ZEGNA JUDGEMENT HAD TAKEN PLACE UNDER THE ITALIAN LEGISLATION, WHAT WOULD HAVE BEEN THE RESULT?.....	PAG. 116
BIBLIOGRAPHY.....	PAG. 123
SITOGRAPHY.....	PAG. 126

ENGLISH INTRODUCTION

Counterfeiting is a phenomenon that over the last decades, accompanied by great technological development, has found in today's society more and more fertile ground. This is the reason why we often hear on the news or read articles on the web related to cases dealing with the sale and marketing of counterfeit products that harm customers and damage companies by violating their own images and reputation.

China, despite huge changes and more increasing stringent controls, is still considered as the "realm of the fake products", in terms of counterfeiting and trademark infringement.

My thesis brings on focus a case study that has recently been at the center of attention and has as its main subject a very well-known and well-established Italian brand in fashion and luxury industry panorama: Ermenegildo Zegna.

The Ermenegildo Zegna Group represents one of the most famous Italian entrepreneurial realities. Over the past few decades, the brand's quest for excellence and innovative spirit have been handed down from generation to generation, allowing the name Zegna to be considered as a synonymous of luxury and high quality products.

At the end of the 1990s a huge strategy of verticalization, brand extension and licensing have been implemented, creating a global brand of male luxury products ranging from clothing to accessories.

The company has focused on retail, arriving well ahead in emerging markets, especially Brazil, India, China and Russia.

Zegna has been the first luxury brand to open a store in China (Beijing, 1991), and China is currently the main market for the brand, with more than 70 stores.

It is precisely here in China that Zegna has encountered the first difficulties linked to the defence and protection of its image: the case study that I will analyze will talk about this important problem.

The text I decided to translate is a judgment issued by the Supreme People's Court of Beijing, which sees on one side the company Ermenegildo Zegna, that has been active for over 30 years in the Chinese territory, and on the other side a local operator that for more than 5 years had been selling clothing and accessories marked with the 'Yves Zegna' trademark.

Consitex SA, owner of Ermenegildo Zegna and ZEGNA trademarks, brought to trial Liu Sanwen owner of Yves Zegna, for having used a trademark very similar to the "original" ones, both in its figurative elements and in its sounding. All these features would have made the Chinese mark very similar to the original already previously registered, creating confusion in consumers' mind.

The verdict of this judgement represents a huge step forward in Chinese trademark protection law.

By many, this judgement has been considered as the first pronouncement in history against the infringement of intellectual property rights in favor of a non-Chinese society.

It is therefore not only considered as a victory for the manufacturing industry and for the image of a brand symbol of the quality of Made in Italy abroad, but it is also seen as a victory for the image that China is acquiring internationally, as a country in which it is possible to invest in a safe way and that wants to take off its reputation as a "fake country".

Since my thesis is of a comparative nature, in addition to the translation of the judgement I wanted also to analyze and comment the same case study in the hypothesis in which the infringement had taken place in Italy, having as a point of comparison some very similar judgements of trademark infringement cases that I have found in the database of the Corte di Cassazione of Rome.

In particular, very similar was the situation in which Gucci SPA found itself, who won a judgment in which the Corte di Cassazione upheld an appeal lodged by the Italian brand against a judgment by the Corte di Appello of Florence relating to a case who saw it as opposed to a leather goods company Lorenzo, based in Italy but owned by a Chinese citizen.

The reason for the dispute? Lorenzo marked his products with two contrasting “C”s in a divergent sense, a symbol considered "blatantly similar" to the two opposite and convergent “G”s of the Gucci brand.

These judgments are preceded by a general analysis of the trademark discipline, developed on three chapters.

The first chapter contains a general overview of the international legislation that regulated the legislative system relating to intellectual property starting from the end of the 1800s: starting therefore from the very first international treaties that tried to create a common regulatory apparatus among all the adherent countries (such as the Convention of Paris, Madrid, Nice and Vienna), up to the ratification of the most recent TRIPS Agreement.

The focus then shifts to the Italian national legislation, analyzing the Articles of the Code of Industrial Property that deal with the matter of trademarks, and then moving on to the history of the Chinese situation that over the years has seen numerous changes: up to the 70s, although in China a concept of intellectual property had always existed, at the same time the legal system lacked adequate tools to protect this right.

Immediately after Deng Xiaoping decided to actively implement the reform and opening process, the Chinese government in 1982 approved the first Trademark Law.

Over the years, more and more changes have been made to this law and the main ones were carried out in 2001 (the year in which China became part of the WTO) and in 2014.

The second chapter opens up with a generic analysis of the concept of “trademark”, analyzing which are those so-called validity requirements that characterize it and comparing the concept of registered and unregistered trademarks.

In this chapter the comparative analysis is divided into two fundamental issues: the first issue is the comparison concerning the process of registration, transfer and forfeiture of a trademark between Italian and Chinese legislation, and the second one is related to the problem of trademark

counterfeiting, presented in general manner and then analyzed subsequently from the Italian and Chinese legislation's point of view.

The third and last chapter can be divided into two different parts: the first part is dedicated to the analysis of the phenomenon of counterfeiting in general, consequently analysed from the Chinese society's point of view. In order to protect all its assets, a company can use both administrative and judicial tools of protection against counterfeiting and unfair competition. Administrative protection will be introduced also analysing how the custom protection usually works, while for the judicial protection, both the Supreme People's Court of Beijing and the Corte di Cassazione of Rome will be mentioned, referring also to all of their tasks.

The first part of this last chapter acts as a link between the first two "purely theoretical" chapters, and the last part of the third chapter, entirely dedicated to the translation and analysis of the therefore mentioned judgement.

The last chapter closes with a question: having analyzed the national disciplines on the subject of marks, and having presented very similar judgements issued by the highest legal bodies of the two countries taken in exam (China and Italy), how the Ermenegildo Zegna dispute could have been solved if had taken place in Italy?

前言

目前，伪造是我们每天在电视和社交媒体上听到的一集。

伪造是一种非常古老而普遍的现象，它越来越成为一种真正的犯罪行业，并且国际经济和社会领域都会受到严重的影响。

公民在打击伪造行为方面发挥着积极而重要的作用。同样重要的任务在于公司：它们可以通过公平竞争战略提供质量有效和可靠的产品的流通。

正如我们将要看到的，伪造产品的产生的一个主要经济后果是提供智力产品的贫困化特别是奢侈品时尚界的伪造产品在世界范围内令人眩目地扩张。这是因为以低于原价的价格销售主要品牌产品的完美副本是我们不幸习惯的趋势。

我在本论文中提出的案例研究谈到了这个主题：案例研究还将证明，与原件非常相似的价格销售伪造副本，可能会导致与消费者对原始品牌的信任相关的更大损害。

本文从意大利立法与中国立法的比较分析的角度分析了商标伪造问题。我想分析的案例研究是由北京最高人民法院发布的有利于CONSITEX有限公司的判决，该公司拥有两个知名品牌：Zegna和Ermenegildo Zegna。关于知识产权保护问题，CONSITEX向一家中国本土运营商宣战，该运营商被指控利用与CONSITEX非常相似的商标来销售许多类似的产品类别（男士服装和配饰）。尽管北京高级法院拒绝了意大利方面的指控，宣称这两个品牌没有相似之处以至于欺骗消费者的心思，但CONSITEX要求重新审理该案件，并要求最高人民法院判决最终裁决。

在保护知识产权的情况下，这判决被许多人定义为一个非常重要的，因为人民最高法院首次支持外国当事人，因此将Zegna商标真正伪造为损害意大利公司CONSITEX。

在用原始语言呈现案例并将其翻译成英语后，我详细地分析了它。

由于我的论文是一个比较分析，我问了我自己这个问题：如果这种情况在意大利发生的话，双方会达成什么样的解决方案？对于这个评论，我使用了我在罗马最高法院网站上找到的一些文本和判决作为例。

案例研究在第三章中介绍了；为了更好地理解这判决，我之前章介绍了国际和国家商标和法规的纪律。此，我的论文分为三章，现在我将简要介绍。

第一章将讨论知识产权的国际监管框架，其中插入了意大利和中国立法的这个问题。然后，我将分析主要的国际协议（从“巴黎联盟公约”到“马德里协定”，从尼斯协议到TRIPs，加入WTO的先决条件），我将介绍在意大利和中国的角度知识产权的概念。

在意大利，规范工业产权保护的法律法规是2005年颁布并于2010年8月修订的“工业产权法”。工业产权法是品牌概念及其保护和加强的基础。另一方面，对中国场景的讨论稍微复杂一些。

其实，中国在工业产权领域的道路更加多样化：从20世纪70年代开始，我们可以说中国存在“知识产权”的概念，但在那时间也没有法律保护手段：第一个商标法在1982年颁布了。当时邓小平以改革开放的方式领导中国，这将使中国陷入困境，开始新的全球化进程。多年来发生了一些变化，特别是2001年中国加入世贸组织和2014年最近的变化。

商标学科的不断变化突显出中国继续不断努力跟上国外的努力。目标是尽可能地适应国际法规，使中国成为投资外资和开展业务的安全国家。因此，中国面临了（并且现在还仍然面临）立法者试图建立现代法律体系的重要过程：在这种巨大变化的背景下是这一历史时刻最具代表性的事件之一。

第二章首先概述了商标概念以及使其具有可记录性的有效性要求。

事实上，重要的是要知道商标可以分为不同的类别：最重要的区别在于注册商标与未注册商标的区别。虽然注册商标的过程是一个非常漫长的过程，而且往往需要大量的研究，但可以说注册商标等同于以更大的方式保护商标。所以，一般来说，未注册的商标可能更容易受到侵权案件的影响。

第二章继续对商标注册过程及其转移和消亡方法进行比较分析，比较意大利学科与中国学科。该商标由各个国家的主管办公室正式经过一个漫长的过程后注册，该过程从先前的搜索开始，旨在识别已经注册的与您打算注册的商标类似的商标。商标的有效期可以是可更新的。商标也可能被转让，如果不使用或不符合有效性要求可能会失效。

我从一般方面和意大利和中国立法的角度分析了品牌的纪律，然后我提出了一个相关的问题，这个问题多年来越来越普遍：伪造。

伪造和不正当竞争是困扰企业和国际贸易的两个问题。

各国设定的目标是保证国际市场的功能和均衡发展，利用规则和法律防止可能破坏这些国家之间商业平衡的冲突的出现。近年来，知识产权的保护在竞争激烈的市场中变得越来越重要，

因此有必要使用有效的保护工具。然而，侵犯这些权利是一种非常古老的现象，从1800年伪造钞票开始，到最近奢侈品世界的伪造案件。

第二章从两个角度分析了商标伪造的主题：从意大利刑法的角度和从中国刑法的角度对这些法律的主要条款进行了比较，旨在强调相似之处和不同之处。

第三章分为两个宏观领域：第一部分从中国社会的角度介绍了假冒的主题，分析了公司可以用来保护自己免受假冒事件的不同方法；第二部分是对特定法庭案件的分析。

其实，第三章介绍了伪造产品市场的主题，以及这些产品如何在市场上销售。还提供了不同类别的伪造产品：事实上，有些产品与原件完全相同，而且当发现许多跨国公司的工业机密时就会发生这种情况。在二级渠道中销售的产品也被创建为“生产过剩”，但从质量的角度，它们与原始产品完全相同。

最后，有些伪造产品不仅损害了生产原始产品的公司形象，而且还损害了消费者，消费者发现自己掌握在劣质产品的手中。

根据最近的估计，尽管最近中国有关当局对假冒产品制造商采取了越来越严格的措施，亚洲被认为是最大的假冒产品生产国和出口国。中国的第一批伪造事件早在18世纪初便开始发生了，导致这种现象出现的原因很难确定。但是，每个国家都可以使用许多工具来保护自己免受这种现象的侵害。

在第三章中，我们将介绍一个国家可以依赖的不同类型的保护，特别是行政保护，海关保护和司法保护。行政保护是委托国家工商行政管理局（SAIC）的一种保护。

该过程的特点是时间和所包含的成本，因此特别适很快地用于抑制伪造伪劣现象。

该程序分为收集文件的初步阶段和双方之间的对抗程序。如果受害方的接受请求，国家工商总局可以下令终止使用假冒商标，销毁带有假冒商标的商品并实施金钱制裁。在某些情况下，国家工商总局的决定受到司法质疑。

在司法保护方面，审理知识产权案件的司法管辖权在于具有专门部门的法院，这些部门设在一些地区。通过司法保护，作为预防措施，可以获得暂停活动，直至法官的决定和扣押被视为伪造的货物为止，但须支付担保职能的担保。

第三章最后分析了中国和意大利的两个最高判决文书：一方面，我们有最高人民法院，总部设在北京，另一方面设在罗马的最高法院 Corte di Cassazione。中国人民最高法院和意

大利 Corte di Cassazione 履行同样的职责：他们是行政保护方面的最高司法机构，因此可以对中下级法院的决定进行最终讨论。

我的论文的最后部分完全致力于最高人民法院对公诉判决的翻译和分析，总结分析问我们如果在意大利立法背景下如何处理这种情况。

List of abbreviations used in the text

BIRPI = United International Bureau for the Protection of Intellectual Property.

CSP = Supreme People's Court (中华人民共和国 最高人民法院).

CUP = Paris Union Convention.

GAC = Administration of Customs (中华人民共和国 海关 总署).

GATT = General Agreement on Tariffs and Trades.

PRC = People's Republic of China (中华人民共和国).

**SAIC = State Administration for Industry and Commerce (中华人民共和国 国家 工商 行政管
理 总局).**

TRAB = Board for the awarding and review of trademarks (评审 评审 委员会).

WIPO = World Intellectual Property Organization (世界知识产权组织).

WTO = World Trade Organization.

CHAPTER ONE

INTERNATIONAL AND HISTORICAL BACKGROUND

Protecting innovators' and creators' rights has been an important and extremely crucial debate since the nineteenth century: during the period of Industrial Revolution, the unstoppable growth of trade exchanges has been accompanied by the need of creating a "better harmonization" between local and international laws.

Protection of industrial property offered by the various national legal systems was in fact based on the *principle of territoriality*¹: according to this principle, the right of exclusivity of an innovation possessed by the owner was only limited to his own country (or group of countries).²

In order to overcome this obstacle, individual states have pushed to the creation of new international standards, such as conventions and treaties aimed to create rules for the international protection of national trademarks and patents.³

The process of globalization related to the Industrial Property legislation started in 1883 with the Paris Convention for the Protection of Industrial Property (CUP), followed by the Madrid Arrangement (1891), Nice Arrangement (1957) and the Wien Arrangement (1973).⁴

¹ "The protection of the design has a territorial character, which means that it is valid only in the territory of the country or region in which it occurred. The decision to register abroad must comply with the same logic for which it was decided to register in the country of origin, namely: the marketing of the products. Consequently, it will be necessary to register the trademark in all those countries where the company intends to export or grant its trademark under license to use". For further informations check the link: <http://www.mregister.com/news-marchio/Territorialita-del-marchio-perche-registrare-all-estero-Mark-Brand-Register-MBRegister-MBR>

² Cesare GALLI, *I marchi nella prospettiva del diritto comunitario: dal diritto dei segni distintivi a diritto della comunicazione di impresa*, in L. C. UMBERTAZZI, *Annali italiani del diritto di autore, della cultura e dello spettacolo*, Milano, Giuffrè, 2007, pag. 234

³ Giuseppe Lelio ADAMO, *Il marchio di impresa: una prospettiva comparata tra Italia e Cina*, Milano, DR Editore, 2013, pag. 12

⁴ For further information: <https://www.icsi.edu/media/website/IntellectualPropertyRightLaws&Practice.pdf>

One of the latest step in this important process has been the establishment of the TRIPs Agreement within the World Trade Organization (WTO): an extremely important step in the international IP reality. In 1993, more than a hundred countries signed this Agreement, in order to curb the phenomenon of counterfeiting by establishing minimum requirements for the protection of intellectual property to which all states should have abided. ⁵

The Paris Convention (CUP) has been considered as the first major step taken in order to help creators ensure that their intellectual works were effectively protected internationally in other countries ⁶: it was firstly signed by 11 different states such as Belgium, Brazil, France, Italy, Holland, Portugal, Spain and Switzerland, but nowadays the Convention counts 177 states. Over the years it has been the subject of multiple revisions, obviously due to the need to adapt it to a rapidly evolving reality. ⁷

One of the main changes was the introduction of the subject related to unfair competition, made in 1925 at The Hague with the Article 10bis, comma 3.

[Art.10bis] (1) The countries of the Union are obliged to assure the citizens of the participating countries of the Union an effective protection against unfair competition. (2) An act of unfair competition is any act of competition contrary to honest practices in industrial or commercial matters. (3) The following must in particular be prohibited:

- 1) all facts of such a nature as to cause confusion, whatever the means, with the establishment, the products or the industrial or commercial activity of a competitor;

⁵ ADAMO, *Il marchio di impresa...*, pag. 7

⁶ For further information related to the international treaties and the Paris Convention in particular, check to the official website of the WIPO: <https://www.wipo.int/treaties/en/ip/paris/>. For list of the contracting parties participating to the Paris Convention, check the official website of the WIPO: https://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=2

⁷ Then it was first modified in Brussels (Belgium) on 13 December 1900, then in Washington (United States) on 2 June 1911, in The Hague (Netherlands) on 6 November 1923, in London (United Kingdom) on 2 June 1934, in Lisbon (Portugal) on 21 October 1958, in Stockholm (Sweden) on 14 July 1967.

- 2) false claims, in the exercise of trade, such as to discredit the establishment, products or industrial or commercial activity of a competitor. ⁸

From this Article we can understand that countries participating to the Convention are required to ensure protection against acts of unfair competition or any act of competition contrary to honest practices in industrial or commercial affairs.

As long as language is concerned, the original Agreement was drafted using French language, considered as one of the official languages of the Union. ⁹

The first Article “*Establishment of the Union; Scope of the Industrial Property*” introduces the concept of Union and its scope of protection (related both to industry or commerce, and to agricultural industries or manufactured products).

[Art.1] (1) The countries to which this Convention applies constitute a Union for the protection of industrial property. ¹⁰

(2) The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition. ¹¹

(3) Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour. ¹²

⁸ WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, Art. 10bis.

⁹ For further information related to the policy on Languages at WIPO, check the official website of the WIPO: https://www.wipo.int/meetings/en/doc_details.jsp?doc_id=174744

¹⁰ WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, Art. 1, comma 1.

¹¹ *ibidem*, Art. 1, comma 2

¹² WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, Art. 1, comma 3.

As stated in the Article 2, comma 1, every nation of the Union enjoy the same advantages, the same protection and the same legal remedies in case of infringement.

[Art. 2] (1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with. ¹³

The Paris Convention has introduced for the first time the so-called *Right of Priority* for inventors: anyone who files the registration form of a trademark in a country which is part of the Convention, has automatically the right to claim the priority right in all the other countries belonging to the Union (within the period of six months). ¹⁴

[Art.4a] (1) Any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed. ¹⁵

Regarding the object of the protection, Article 6 takes in exam one of the objects of the protection: trademarks.

In particular, it states that even though the filling and registration process must follow the national legislation of a Country where a person intends to register that trademark, the application cannot be

¹³ WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, Art. 2, comma 1

¹⁴ Richard HALSTEAD, *Protecting Intellectual Property: understanding and using trade marks, patents, design and copyrights in business*, ICSA publishing, 1993, pag. 7

¹⁵ WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, art. 4a, comma 1.

refused or invalidated by other countries of the Union, unless the mark violates certain particular conditions.

[Art.6] (1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation. ¹⁶

(2) However, an application for the registration of a mark filed by a national of a country of the Union in any country of the Union may not be refused, nor may a registration be invalidated, on the ground that filing, registration, or renewal, has not been effected in the country of origin. ¹⁷

[Art.6bis] (1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith. ¹⁸

To conclude, the Paris Convention has mainly introduced two important rights: the *priority right* and the *right of reciprocity*.

According to the priority right, anyone who has filed an application for patent, utility model, design, trademark in one of the countries of the Union will have a right of priority for the filing of the same patent, utility model, design or trademark in other countries of the Union, within a period of six months. ¹⁹

¹⁶ WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, Art. 6, comma 1.

¹⁷ *ibidem*, Art. 6, comma 2.

¹⁸ WIPO, *Paris Convention for the Protection of Industrial Property*, https://www.wipo.int/treaties/en/text.jsp?file_id=288514#P77_5133, Art. 6bis, comma 1.

¹⁹ Steven Pericles LADAS, *Patents, Trademarks and related rights: national and international protection*, Harvard Press University, 1990, Chapter 31, pag. 632

The right of reciprocity instead, recognises that citizens of all the countries of the Union have the same intellectual property rights, in order to guarantee a sort of “equality of treatment”²⁰: before the Paris Convention, in fact, it was necessary to choose, at the time of filing, all the markets of interest and to bear all the costs of the filing fees and translation in the language of each State.

Although the Paris Convention has been considered as the starting point for the numerous subsequent agreements, it does however present some shortcomings, such as the lack of an effective system of sanctions and the identification of mandatory mechanisms aimed to resolving disputes.

The Madrid Convention represents the second international Agreement related to the discipline of Industrial Property that has been ratified and passed through many revisions²¹ (Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Nice in 1957 and Stockholm in 1967).²²

The Madrid Convention introduced the concept of “international registration”, referring to a simplified procedure for the filing and renewal of trademarks which, except for reasons of refusal in one or more countries, gives rise to the granting of as many national marks as the number of countries designated in the application.²³

This means that the international registration has mainly two big advantages over the individual and national registration:

- A. It allows a simplification of the procedures: instead of presenting as many trademark applications as the countries concerned, it's possible to submit a single application at the

²⁰ For further information related to the Paris Convention and its features, check the Italian website related to the registration of trademark: <https://registrare-marchio.com/en/right-of-priority-of-a-trademark/>

²¹ It has been originally signed by Belgium, France, Guatemala, Italy, Holland, Portugal, Spain, Switzerland and Tunis. But now it counts more than 60 countries.

Stephen Pericles LADAS, *Patents, Trademarks and Related rights: national and international protection*, Harvard University Press, 1990, pag. 1495

²² For the list of the Country that signed the Madrid Arrangement, check the official website of the WIPO: https://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf

²³ Claudio COSTA, *Il protocollo di Madrid sul marchio internazionale*. For the entire online article, please check the website: <https://www.mglobale.it/altre-tematiche/tutte-le-news/protocollo-madrid-sul-marchio-internazionale.kl>

WIPO (World Intellectual Property Organization) through the competent administration of the country of origin.²⁴

- B. All the costs associated to the international filing of the mark are less expensive than all the national taxes that should be paid in case of individual national deposits.²⁵

The registration of an international trademark entails the protection of the trademark in the selected Countries with effects corresponding to a national deposit; therefore it confers on its holder the recognition of a "bundle of national trademarks", in a unitary way.²⁶

According to the international registration, it's important to mention the Article 3, 4 and 5 related to the contents of the international registration application, its effects and the hypothetical refusal from one of more country of the Union.

In particular, as written in the Article 3, comma 1:

[Art. 3] (1) Every application for international registration must be presented on the form prescribed by the Regulations; the Office of the country of origin of the mark shall certify that the particulars appearing in such application correspond to the particulars in the national register, and shall mention the dates and numbers of the filing and registration of the mark in the country of origin and also the date of the application for international registration.²⁷

The Madrid Convention concerning the international registration of trademarks belongs only to some European and non-European countries, being considered at the same time both of little interest and economically disadvantageous from some other important countries' point of view: in order to overcome this limitation, the Madrid Protocol was signed on the 27th June 1989, which,

²⁴ Claudio COSTA, *Il protocollo di Madrid sul marchio internazionale*. For the entire online article, please check the website: <https://www.mglobale.it/altre-tematiche/tutte-le-news/protocollo-madrid-sul-marchio-internazionale.kl>

²⁵ *ibidem*.

²⁶ For further informations: <http://www.registrazionedelmarchio.com/registrazione-marchio-internazionale.html>

²⁷ *Madrid agreement concerning the international registration of marks*, art. 3, comma 1. For further informations, check the official website of WIPO at: https://www.wipo.int/edocs/lexdocs/treaties/en/madrid-gp/trt_madrid_gp_001en.pdf

having a greater geographical coverage, offers new opportunities to protect trademarks abroad. The international registration related to trademark is now regulated by two norms: the Madrid Convention and the Madrid Protocol, that can work together or separately.²⁸

There are countries that participates both to the Convention and Protocol (such as China and Italy, for example), and other that participate only to the Protocol.²⁹

Other innovative steps in the “internationalization” of the Industrial Property, have been the Nice Convention and the Wien Convention: the Nice Convention establishes a classification of goods and services for the purposes of registering trademarks and service marks. This classification is called the *Nice Classification*.³⁰

In order to register a trademark, each member of the Nice Convention has to apply the Nice Classification indicating in documents and in official papers the number of classification classes their products and services belongs to.³¹

[...] “The trademark offices of Contracting States must indicate, in official documents and publications in connection with each registration, the numbers of the classes of the Classification to which the goods or services for which the mark is registered belong.” [...]

³²

²⁸ Thanks to the Madrid Protocol of 1999, many countries that are commercially important to our businesses, such as the United States, Japan and the European Union itself have joined the system. For further information, check the link: <https://www.sviluppoeinnovazione.it/il-marchio-internazionale-laccordo-e-il-protocollo-di-madrid/>

²⁹ Countries that have only joined the Protocol have been: the United Kingdom, Sweden, Norway, Denmark, Estonia, Finland, Georgia, Japan, Iceland, Turkmenistan, Turkey, Antigua and Barbuda.

Claudio COSTA, *Il protocollo di Madrid sul marchio internazionale*. For the entire online article, please check the website: <https://www.mglobale.it/altre-tematiche/tutte-le-news/protocollo-madrid-sul-marchio-internazionale.kl>

³⁰ The Classification was established by virtue of an agreement reached at the Diplomatic Conference in Nice on June 15, 1957, revised in Stockholm in 1967 and in Geneva in 1977, and modified in 1979. For further information, check the website related to trademarks protection and to the Nice classification, at the link: <https://www.tutelamarchio.com/classificazione-nizza/>

³¹ *ibidem*.

³² For further informations related to a general introduction of the Nice Agreement, check the official website of WIPO at the link: <https://www.wipo.int/classifications/nice/en/preface.html>

The Nice Classification is based on a classification prepared by the *United International Bureaux for the Protection of Intellectual Property* (BIRPI) – predecessor of WIPO – in 1935: that classification, consisting of a list of 34 classes and an alphabetical list of goods, has been adopted under the Nice Convention and later expanded in order to cover 11 more classes of services.³³

Aim of this agreement was to provide a common classification of goods and services for trademark registration and to collect data on registered trademarks, in order to make research easier.³⁴

Each class contains a set of terms to better define the goods or services: when indicating the goods and services during the registration process, applicants are advised to use the Nice Classification terms in order to avoid delays in the registration procedure caused otherwise by the need to translate the terms submitted.³⁵

The second agreement related to the classification of trademarks is the Wien Agreement: concluded in 1973, it established classification also for those trademarks consisting of figurative elements.³⁶

As written on the WIPO official website:

[...] “The Classification constitutes a hierarchical system that proceeds from the general to the particular, dividing all figurative elements into categories, divisions and sections. Where appropriate, explanatory notes have been introduced. They concern either a category as a whole or any given division or section.”³⁷

³³ For further informations related to a general introduction of the Nice Agreement, check the official website of WIPO at the link: <https://www.wipo.int/classifications/nice/en/preface.html>

³⁴ WIPO, *Creare un marchio. Introduzione all'utilizzo dei marchi per le piccole e medie imprese*, online article: https://www.wipo.int/edocs/pubdocs/it/sme/900/wipo_pub_900.pdf, pag. 10

³⁵ For further information related to the classification of the Nice Convention, check the official website of EUIPO at the link: <https://euiipo.europa.eu/ohimportal/en/nice-classification>, and for the entire list of the 45 categories for the classification of goods and services, check: https://www.rm.camcom.it/pagina352_classificazione-di-nizza-11-edizione.html

³⁶ For further information related to general features of the Wien Convention, check the official website of WIPO at the link: https://www.wipo.int/treaties/en/classification/vienna/summary_vienna.html

³⁷ For further information related to the classification of trademarks with figurative elements, check the article *International Classification of the Figurative Elements of Marks (Wien classification)*, at the official website of WIPO: <https://www.wipo.int/classifications/vienna/en/preface.html>

The Wien Classification has passed many revisions: the current (eighth) edition, published in 2017, has been in force since the January 2018, and it replaces the previous ones.³⁸

TRIPS AGREEMENT

Starting from the 70s, in a new context of economic development, free exchange and pressing efficiency of production, piracy and counterfeiting phenomena had become increasingly widespread and worrying, especially due to an inadequate international administrative and judicial system, with a huge lack of guarantees and investment insurance.³⁹

Although numerous treaties had been already signed, those minimum rights were actually not effectively granted: treaties themselves were then inadequate to protect the new types of rights arising from new technological discoveries.⁴⁰

The Agreement on Trade Related Aspects of Intellectual Property Rights (so-called TRIPs Agreement) was signed in Marrakesh on 15 April 1994 and entered into force on 1 January 1995.

By now, the TRIPs Agreement is considered as an important part of a series of treaties regulating the international trade under the World Trade Organization.⁴¹

As written by Giovanni Aversa

[...] “The TRIPs Agreement is one of three pillars of the World Trade Organization (WTO) and has been in force since 1995. The main reasons for the agreement are in order to reduce distortions and impediments to international trade, to promote effective and adequate protection of intellectual propriety rights and to ensure that measures and procedures to enforce intellectual propriety rights do not themselves become barriers to trade. For the first

³⁸ The first edition of the Classification was published in 1973, the second in 1988, the third in 1993, the fourth in 1997, the fifth in 2002, the sixth in 2007 and the seventh in 2012.

³⁹ Giuseppe Lelio ADAMO, *Il marchio di impresa: una prospettiva comparata tra Italia e Cina*, DR Editore, 2013, pag. 17

⁴⁰ Luca MARTINELLI, “*La tutela internazionale della proprietà intellettuale: il fenomeno del copyleft*” https://it.wikisource.org/wiki/La_tutela_internazionale_della_propriet%C3%A0_intellettuale:_il_fenomeno_del_copyleft/Capitolo_1.1

⁴¹ Lucrezia BERTO, *La disciplina del marchio nel TRIPs agreement*, 2018, https://www.iusinitinere.it/la-disciplina-del-marchio-nel-trips-agreement-8866#_ftn1

time, all aspects of intellectual property are covered in one multilateral agreement: copyrights and neighboring rights, trademarks for goods and services, geographical indications, industrial designs, patents, topographies for microchips as well as undisclosed information.” [...] ⁴²

If previously "intellectual property rights were considered as possible obstacles to the freedom of international traffic" ⁴³, a huge change of perspective regarding the importance of IP rights has been made.

[Art.15] (1) Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible. ⁴⁴

The TRIPs agreement takes in exam different subjects: in particular, trademarks discipline is analysed in Article 15 and 16 of the Agreement.

[Art.16] (1) The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use. ⁴⁵

⁴² Giovanni AVERSA, *E-encyclopedia of banking, stock exchange and finance*, online article: <http://bankpedia.org/index.php/en/85-english/a/23846-agreement-on-trade-related-aspects-of-intellectual-property-rights-trips?highlight=WyJ0cmlwcyJd>

⁴³ Giovanni SENA, *I diritti sulle invenzioni e sui modelli di utilità*, Milano, Giuffrè, 2011, pag. 64

⁴⁴ Article 15, comma 1 of the *Trade-Related aspects of Intellectual Property Rights (TRIPs)*, check the articles at the official WTO website: https://www.wto.org/english/docs_e/legal_e/27-trips_04_e.htm#2

⁴⁵ Article 16, comma 1 of the *Trade-Related aspects of Intellectual Property Rights (TRIPs)*, check the articles at the official WTO website https://www.wto.org/english/docs_e/legal_e/27-trips_04_e.htm#2

As part of the WTO's goals to reduce the distortions and obstacles to international trade, the Agreement is aimed to ensure effective protection of intellectual property rights.

While ensuring those measures in order to protect these rights, it's also necessary to guarantee that those measures do not become themselves obstacles to trade. ⁴⁶

NATIONAL LEGISLATION

Italy has a long tradition in the field of Intellectual and Industrial Property.

One of the earliest official form of protection for Intellectual Property and creativity is represented by the Patent Statute, decreed in 1474 by the Serenissima Republic of Venice. ⁴⁷

Over the centuries, Italian legislation has evolved with numerous law decrees and regulations.

On February 10, 2005 the Legislative Decree n. 30 introduced the Italian Code of Industrial Property: purpose was not only to simplify and modernize, gathering under one single text all the already existing IP laws, but also to better harmonize the national regulations with Community Law and with all the previous international conventions. ⁴⁸

⁴⁶ Lucrezia BERTO, *La disciplina del marchio nel TRIPs agreement*, 2018, online article: https://www.iusinitinere.it/la-disciplina-del-marchio-nel-trips-agreement-8866#_ftn1

⁴⁷ “There are in this city, and because of its grandeur and virtue there come to us from other places, men of great genius, apt to invent and discover a variety of ingenious devices. And if it were provided that the works and devices discovered by such persons could not be imitated by others who may see them, stealing away the inventor’s honor, such men would exercise their genius and invent and make devices of no small utility and benefit to our commonwealth. Therefore, it is decreed by the authority of this Council that any person in this city who invents any novel and ingenious device, not made previously in our dominion, as soon as it is reduced to perfection, so that it can be used and exercised, shall give notice to the office of our Provisioners. It being forbidden to all others in our land to make any other device which imitates and resembles the invention, without the consent and license of the author, for up to ten years” (from the Venetian State Law, dated 1474), Roberto DINI, president of LES Italy, <https://www.wipo.int/edocs/lexdocs/laws/en/it/it204en.pdf>, an article published by LES Italy with the assistance of the Chamber of Commerce of Milan and Turin, 2013

⁴⁸ Roberto DINI, <https://www.wipo.int/edocs/lexdocs/laws/en/it/it204en.pdf>.

In March 2010, the Implementing Regulation of the Industrial Property Code was published, in order to define and simplify the procedures for filing applications, appeals, deeds and petitions specified by the Code itself.

Subsequently, in August 2010, Italian Legislative Decree n. 131 updated the Industrial Property Code, creating a single legal text with all the laws and provisions issued after the Code came into force.

National Italian sources: the Industrial Property Code

In the Italian Panorama the Industrial Property Code came into force under the Legislative Decree of the 10th February 2005, n. 30 (Industrial Property Code), then revised through a Corrective Decree n.131 issued on the 13th August 2010, n. 131. ⁴⁹

The Italian Industrial Property Code arises as a result of the need to systematise the subject according to all the previous international agreement.

The Industrial Property Code has been lately considered as a “necessary act”: this is because in the last fifty years, trademarks, utility models, patents and invention have developed a new economic and strategic importance. ⁵⁰

The Industrial Property Code immediately opens with a new standard, which does not comply with the provisions already in force and which refers to Industrial Property rights. ⁵¹

[Art.1] “For the purposes of this Code, the expression 'industrial property' comprises trademarks and other distinctive signs, geographical indications, denominations of origin,

⁴⁹ Filippo FERRONI, Metroconsult Genova, *Gli strumenti a tutela della protezione della proprietà Industriale*, 2013. For the entire article, check the related website at the link: https://lig.camcom.it/easyUp/file/presentazione_innoproind_genova_fferroni_23_.pdf

⁵⁰ “In the 1970s the brand constituted 20% of the value of a company, today it can cover up to 80% of its value.” For further informations: <https://www.ufficiobrevetti.it/codice-proprieta-industriale/>

⁵¹ Filippo FERRONI, *Gli strumenti a tutela...*, 2013
https://lig.camcom.it/easyUp/file/presentazione_innoproind_genova_fferroni_23_.pdf

designs and models, inventions, utility models, topographies of semiconductor products, confidential company information and new plant varieties".⁵²

The Industrial Property Code takes in exam both invention, patents and trademark, and their protection, assuming that inventions, utility models and new plant varieties are protected by patenting, while marks, designs and semiconductor topographies are object of legal registration.

Related to the subject of trademarks, Italy adheres to the main international Conventions on industrial property: The Paris Convention, the Madrid Convention (and its protocol) and other Conventions (Nice and Wien).

In the Italian panorama, the first definition of "trademark" has been introduced by the Industrial Property Code (IPC): through the Industrial Property Code, they tried to adapt the Italian Law according to the European regulations, focusing on protecting and enhancing the intellectual property rights.

Considered a consistent part of the industrial property, trademark can be described a "sign" used to distinguish a company or its own products/services from those of competitors. It provides an image, it guarantees quality and reliability for a company that wants to be well-known in a wide panorama and for this reason it is a precious resource to be protected and enhanced: to protect means to register a trademark.

As stated in the Article 7 of the Italian Industrial Property Code (CPI)

[...] "all signs that are susceptible of being represented graphically, in particular words, including the names of persons, drawings, letters, numbers, sounds, the form of the product or of the package thereof, chromatic combinations or tonalities, provided they are suitable to distinguish the products or the services of a company from those of other companies"⁵³.

⁵² For all the articles of the Italian Industrial property code: <https://www.wipo.int/edocs/lexdocs/laws/en/it/it204en.pdf>

⁵³ Art. 7 of the Industrial Property Code (IPC), Legislative Decree no. 30 of 10 February 2005, "Codice della proprietà industriale, a norma dell'articolo 15 della leg 12 dicembre 2002, n.273", published by Gazzetta Ufficiale n.52 of the 4th of march 2005.

THE CHINESE LEGISLATION ON THE TRADEMARK

Far from the image of an old and static branch of legislation, the legal system that regulates intellectual property rights is actually dynamic and modern, both from an international point of view and, even more so, from a Chinese point of view: in fact, China is a huge and important reality where all the local institutions constantly strive to keep it updated and up to date with the latest needs.⁵⁴

The Chinese trademark legislation is made of a huge variety of documents with different origins, nature and strength: some of them are completely unknown, mostly because in the Chinese legal system is really far from the corresponding sources of the Western civil law system.

The first ever Chinese regulatory act concerning trademarks is dated back to the first failed attempt of a “state reform” undertaken in the very last years of the Qing dynasty.

While, the first attempts to stem the problem of counterfeiting, as written by Alford, can be dated to the ninth century BC, with an emanation of an imperial right that regulated the publication and reproduction of literary works.⁵⁵

From this point on, the discipline of Intellectual Property has undergone a long and troubled journey, not only due to the lack of a valid legislative apparatus, but also due to the Chinese tradition culture itself which referred to Confucianism, where the idea of individualism was considered to be at the centre of society, and where there was no interest in profit. As a result, intellectual property rights were not protected, as they were not considered real expression of ownership.

⁵⁴ For further information, check the online PDF written by the IPR Desk of Beijing, at the link: <http://www.adi-design.org/upl/Pacchetto%20nuovi%20soci/Tutela%20della%20PI%20in%20Cina%2001.pdf>

⁵⁵ ALFORD W. P., *To steal a book is an elegant offence: intellectual property Law in Chinese civilization*, Stanford University Press, 1995, p. 11

Between the end of the 1800s and the beginning of the 1900s, China opened up to international trade and the first contacts with the West began. ⁵⁶

During this period the first problems related to intellectual property came up, in particular when Chinese merchants (whose goods were often not marked with distinctive signs), imitated the marks of foreign goods with a certain notoriety. ⁵⁷

Since the birth of the PRC, China has for many years found itself without rules protecting intellectual property: it's in fact from the 1980s that China has implemented its body of laws. This happened also thanks to the adhering of China to the WTO and to the ratification of the TRIPS Agreement ⁵⁸: these last 30 years have been crucial in defining policies related to the regulation of trademarks and intellectual property.

China's first Trademark laws.

The end of the twelfth century characterizes the first phase of this new legislative process, with Deng Xiaoping as head of the Chinese leadership. ⁵⁹

With his new *open door* policy (开放政策), goal was certainly to rebuild the Chinese economy and society, devastated by the Cultural Revolution. This also included achieving an enormous economic growth through the introduction of foreign capital and new technologies, while maintaining the solid foundations and beliefs of socialist philosophy. ⁶⁰

⁵⁶ Goods that were mainly marketed were opium, silk and tea.

James PETRAS, *Cina: ascesa, caduta e risalita come potenza mondiale*, 2012. For the entire article please check the link: https://www.ariannaeditrice.it/articolo.php?id_articolo=42828

⁵⁷ ALFORD W. P., *To steal a book is an elegant offence: intellectual property Law in Chinese civilization*, Stanford University Press, 1995, p. 11

⁵⁸ For further informations, check the website: https://www.ariannaeditrice.it/articolo.php?id_articolo=42828

⁵⁹ Shijeo KOBAYASHI, Baobo JIA, Sano JUNYA, *Three Reforms in China: Progress and Outlook*, published in 1999. For the entire article check the website: <https://www.jri.co.jp/english/periodical/rim/1999/RIMe199904threereforms/>

⁶⁰ *ibidem*.

With the arrival of foreign capital, the Chinese government thought that was necessary to give guarantees to foreign investors, in order to fill all those legal gaps related to the protection of their rights that they would have faced once arrived to China: for this reason, laws of crucial importance were approved, such as the law on joint ventures (1979), which protects foreign investments (in particular all sino-foreign collaborations) and one year later, China adhered to the WIPO (*World Intellectual Property Organization*).⁶¹

Related to the subject of IP, the first Trademark Law 商标法 (enacted on August 23, 1982 and entered into force in 1983) has been extremely important for the Chinese panorama: this law, in fact, has been considered as the opening of a series of successive laws fundamental to China's approach to the evolved western context.

This law introduced for the first time the innovative concept of "exclusive use of trademarks" (only after the proper legal registration). As stated in the Article 3

[第三条] 经商标局核准注册的商标为注册商标，商标注册人享有商标专用权，受法律保护。⁶²

The registration procedure that was in force, and which is in force even nowadays, follows the *first to file* principle⁶³, which means that the first person that submit the application for the registration of a particular mark, receives protection for the mark that he applied for.⁶⁴

⁶¹ On the 3rd June, 1980.

⁶² [Art.3] "Registered trademarks mean trademarks that have been approved and registered by the Trademark Office, including trademarks, service marks, collective marks and certification marks; the trademark registrants shall enjoy the exclusive right to use the trademarks, and be protected by law." For the entire Chinese text of the 1982 Trademark law, check the website: http://www.law-lib.com/law/law_view.asp?id=95130

⁶³ Laura SEMPI, *Trasferimento di tecnologia e tutela della proprietà intellettuale*, in Renzo Cavalieri, "Cina: commercio internazionale e investimenti esteri", Milano, 2006, pag. 98

⁶⁴ And it can be considered as the most common registration process in the international panorama. Marina TIMOTEO, *La difesa dei marchi e brevetti...*, pag. 9

This application must be submitted to the Trademark Office 国家商标局 and is extremely important as it prevents the non-legal use of the trademark a person intend to register.

As explained in Article 7 of this first version of the Chinese Trademark Law, the concept of "mark" was a very limited concept and included a very limited number of symbols and features.

[第七条] 商标使用的文学、图形或者其组合，应当有显著特征，便于识别。使用注册商标的，并应当标明“注册商标”或者注册标记。⁶⁵

Although this first trademark law has been a starting point for trademark regulation in China, it was still considered too thin and synthetic; for this reason the subsequent laws were issued years later, in order to amplify and fill all the lack of contents the first law had shown.

The first revision of the 1982 trademark law took place about a decade later, specifically in 1993: in the revision, those so called “service marks” (which is not a mark that is used to distinguish a product, but serves to distinguish an activity that provides services so as to distinguish it from

⁶⁵ [Art. 7] “The literature, graphics, or combinations of trademarks used should have distinctive features that are easily identifiable. The use of a registered trademark shall be marked with a "registered trademark" or a registration mark.”
For the entire Chinese text of the 1982 Trademark law, check the website: http://www.law-lib.com/law/law_view.asp?id=95130

others)⁶⁶ were included in the protection, and the scope of protection in case of infringement has been extended, as defined in articles 38 and 40.⁶⁷

[第三十八条] 有下列行为之一的，均属侵犯注册商标专用权：

- (1) 未经注册商标所有人的许可，在同一种商品或者类似商品上使用与其注册商标相同或者近似的商标的；
- (2) 销售明知是假冒注册商标的商品的；
- (3) 伪造、擅自制造他人注册商标标识或者销售伪造、擅自制造的注册商标标识的；
- (4) 给他人的注册商标专用权造成其他损害的。⁶⁸

All the situations where a trademark similar or identical to an already registered one is used without authorization, are considered violation.

Counterfeiting of other trademarks are legally prosecuted, also referring to penal responsibilities and compensation in favour of the owner of the trademark that has suffered the damage.

⁶⁶ For marks different classifications: <http://www.bfnadvocati.it/post8.html>

⁶⁷ For the entire text of the Revision of the Trademark Law dated 1993, check the website: http://www.lawyee.net/Act/Act_Display.asp?RID=27358&KeyWord=. It's also important to analyse the Art. 40. [第四十条] 假冒他人注册商标，构成犯罪的，除赔偿被侵权人的损失外，依法追究刑事责任。伪造、擅自制造他人注册商标标识或者销售伪造、擅自制造的注册商标标识，构成犯罪的，除赔偿被侵权人的损失外，依法追究刑事责任。销售明知是假冒注册商标的商品，构成犯罪的，除赔偿被侵权人的损失外，依法追究刑事责任。[Art. 40] “If a person who spoofs a registered trademark constitutes a crime, he shall be investigated for criminal responsibility in addition to the loss of the infringer. Anyone who forges or arbitrarily manufactures a registered trademark mark of another person or sells a forged or arbitrarily created registered trademark mark constitutes a crime shall be investigated for criminal responsibility in addition to the loss of the infringed person. If a product is known to be a counterfeit registered trademark and constitutes a crime, it shall be investigated for criminal responsibility in addition to the loss of the infringer.”

⁶⁸ [Art. 38] “Any of the following acts shall be infringement of the exclusive right to use a registered trademark: (1) using the same or similar trademark as the registered trademark on the same commodity or similar commodity without the permission of the registered trademark owner;(2) selling goods that are known to be counterfeit registered trademarks; (3) Forging or arbitrarily manufacturing a registered trademark mark of another person or selling a registered trademark mark that is forged or manufactured without authorization; (4) Any other damage caused by the exclusive right to use a registered trademark.”

2001: China adheres to WTO

On December 11, 2001, China joined the World Trade Organization adhering to its common rules, abolishing non-tariff trade barriers, reducing customs duties and above all enhancing the protection of the intellectual property.⁶⁹

The reasons why China has decided to join the WTO are many, especially following the need to open the doors to the foreign world so that the companies that would have come to China to invest would have brought greater competition and greater market changes in the Chinese panorama.

China's entry into the WTO can be considered as the intention to be integrated into the global economic landscape: adhering to international standards means improving cooperation with foreign countries, improving trust and intensifying international integration.⁷⁰

As written by Alessio Sitran,

[...] The decision to join the World Trade Organization (WTO) therefore represents the first concrete step in the direction of solid development, as it will oblige China to adopt the rules of globalization and to accelerate the pace of economic and financial system reforms.

There are three potential strengths on which the country can rely in carrying out such a process: low labor costs, enormous size of its economy and high private savings rate.

This is the path along which China, until 2020, will move. [...] ⁷¹

With regard to trademark regulations, the third edition of the trademark law was approved on 27 October 2001.

⁶⁹ Renzo CAVALIERI, *L'adesione della Cina alla WTO. Implicazioni giuridiche*, ARGO Editore, 2003, pag. 60

⁷⁰ Joseph FEWSMITH, *The political and social implications of China's accession to the WTO*, Cambridge University Press, 2001.

⁷¹ Alessio SITRAN, *L'adesione della Cina alla World Trade Organization*, check the related article at the website: https://www.difesa.it/InformazioniDellaDifesa/periodico/IIPeriodico_AnniPrecedenti/Documents/Ladesione_della_Cina_alla_W_833Organization.pdf

As written by Hongbing Gong, if we compare the new one with the 1993 one, we can say that

[...] the amendments of 2001 Trademark Law are vast, concerning the content of 47 items and adding 23 new articles. There are many highlights and one of these is that the law firstly and systematically stipulates the protections of unregistered trademarks [...] ⁷²

The 2001 Trademark Law also introduced the protection of geographical marks (Art. 16) and, for the first time, provided the protection of collective (Art. 3) and certification marks. Three-dimensional shapes are also included in the distinctive marks category, and they can be registered as trademarks (Art. 12).

Other important innovations introduced with the 2001 Trademark Law Reform include the private protection of *well-known marks* (a protection that aligns with the provisions of the aforementioned art. 6-bis of the Paris Convention).

The most important data on the subject turns out to be the legal protection of the well-known trademark even without specific local registration, on condition that the registration has already been made abroad.

The revision of the 2001 Trademark Law has certainly brought significant improvements in the field of violations, as stated in Art. 52. ⁷³

[第五十二条] 【商标侵权行为】有下列行为之一的，均属侵犯注册商标专用权：(一)未经商标注册人的许可，在同一种商品或者类似商品上使用与其注册商标相同或者近似的商标的；(二)销售侵犯注册商标专用权的商品的；

⁷² Hongbing HONG, “The protection of unregistered trademarks in China”, in Marina TIMOTEO, *Regimi a tutela della proprietà intellettuale in Cina*, Tiellemmedia Editore, Roma, 2008, pag. 136

⁷³ *ibidem*.

(三)伪造、擅自制造他人注册商标标识或者销售伪造、擅自制造的注册商标标识的;
(四)未经商标注册人同意, 更换其注册商标并将该更换商标的商品又投入市场的;(五)
给他人的注册商标专用权造成其他损害的⁷⁴

At the same time, a quantified sum for compensation for damages has been established in Article 56, as explained here: the injured party may be compensated with a sum in any case not exceeding 500 thousand RMB (about 57 thousand Euro).

[第五十六条] 【赔偿数额】 侵犯商标专用权的赔偿数额, 为侵权人在侵权期间 因侵权所获得的利益, 或者被侵权人在被侵权期间因被侵权所受到的损失, 包括 被侵权人为制止侵权行为所支付的合理开支。

前款所称侵权人因侵权所得利益, 或者被侵权人因被侵权所受损失难以确定的, 由人民法院根据侵权行为的情节判决给予五十万元以下的赔偿。销售不知道是侵犯注册商标专用权的商品, 能证明 该商品是自己合法取得的 并说明提供者的, 不承担赔偿责任。⁷⁵

⁷⁴ **[Art.52]** Anyone who commits any of the following acts shall be the exclusive right to infringe a registered trademark: (1) using the same or similar trademark as the registered trademark on the same commodity or similar commodity without the permission of the trademark registrant; (2) selling goods that infringe the exclusive right to use a registered trademark; (3) falsifying or arbitrarily manufacturing the registered trademark mark of another person or selling the registered trademark mark forged or unauthorized manufacture; (4) replacing the registered trademark with the consent of the trademark registrant and putting the commodity of the replacement trademark into the market; (5) Giving others other rights to use the registered trademark exclusive right; For the entire text of the 2001 trademark law, check the official website of WIPO at the link: <https://wipo.int/en/text/181402>

⁷⁵ **[Art. 56]** [Amount of Compensation] The amount of compensation for infringement of trademark exclusive right shall be the benefit obtained by the infringer during the infringement due to the infringement, or the loss suffered by the infringer due to the infringement during the infringement, including the infringer. Stop the reasonable expenses paid for the infringement. Where the infringer mentioned in the preceding paragraph is difficult to determine the infringement benefits or the loss suffered by the infringer due to the infringement, the people's court shall award compensation of less than 500,000 yuan according to the plot of the infringement. If the sale is not known to be a product that infringes the exclusive right to use the registered trademark, it can prove that the goods are legally obtained and explain the provider, and are not liable for compensation. the entire text of the 2001 trademark law, check the official website of WIPO at the link: <https://wipo.int/en/text/181402>

CHINA'S CONTEMPORARY ASSET: China's 2014 Trademark Law

Regarding the current structure of the Chinese legislative body, in this last part of the first chapter we will analyze the Trademark Law currently in force since 2014.

Trademark protection implies that the owner of the same has the exclusive use and enjoyment and therefore the right to defend himself against anyone trying to use or register identical or similar trademarks causing, in this way, confusion in the public.⁷⁶

The legislation that protects trademarks in China is similar to that existing in many other countries with two main differences: protection is granted only at the time when the trademark is actually registered and its content also implies some form of quality approval by the government.⁷⁷

The version of the current Trademark Law in force was the one issued on May 1st, 2014.

This new regulatory text is a more extensive version of the previous one, it contains 73 articles (compared to 64 in the previous version of the 2001 Trademark Law) and was created with the aim of greater simplification of procedures and greater protection.⁷⁸

The Article 7 introduces the obligation of correctness and good faith in the presentation of the application for registration and in the use of the trademarks.

[第七条] 申请注册和使用商标，应当遵循诚实信用原则。商标使用人应当对其使用商标的商品质量负责。各级工商行政管理部门应当通过商标管理，制止欺骗消费者的行为。⁷⁹

⁷⁶ As written on “I Marchi in China: Come Registrare”, by the IPR Desk of Shanghai. At the link: http://www.uibm.gov.it/attachments/article/2004812/i_marchi_in_cina.pdf

⁷⁷ *ibidem*.

⁷⁸ For the entire text of the 2014 trademark law, check the official website of WIPO at the link: <https://wipolex.wipo.int/en/text/337563>

⁷⁹ [Art. 7] “The principle of good faith shall be upheld in the application for trademark registration and in the use of trademarks. The user of a trademark shall be responsible for the quality of the goods on which the trademark is used. The administrative departments for industry and commerce at all levels shall, through the administration of trademarks, put an end to any practice that deceives consumers.” For the official translation, check the website: <https://www.wipo.int/edocs/lexdocs/laws/en/cn/cn195en.pdf>

Article 7 is closely related to Article 19, according to which Trademark Registration Agencies must base their activities on these two principles, in order to limit cases of infringement and violations.

[第十九条] 商标代理机构应当遵循诚实信用原则，遵守法律、行政法规，按照被代理人的委托办理商标注册申请或者其他商标事宜；对在代理过程中知悉的被代理人的商业秘密，负有保密义务。委托人申请注册的商标可能存在本法规定不得注册情形的，商标代理机构应当明确告知委托人。商标代理机构知道或者应当知道委托人申请注册的商标属于本法第十五条和第三十二条规定情形的，不得接受其委托。商标代理机构除对其代理服务申请商标注册外，不得申请注册其他商标。⁸⁰

Related to the sanctioning area, the 2014 Trademark Law addresses the issue from the Article 63 to the Article 67.

These articles point out two different types of damage: the actual loss suffered by the person requesting registration of the trademark and the profit earned in violation of a trademark.⁸¹

For the first time the category of punitive damages is determined for the protection of trademarks: with an intentional violation or in the presence of serious circumstances, the amount of the damage can be increased by one up to three times the value of the ordinary damage. The maximum amount of the damage provided for by law from increased from RMB 500,000 to RMB 10,000,000.

⁸⁰ [Art. 19] “Trademark agencies shall uphold the principle of good faith, comply with laws and administrative regulations, apply for trademark registration or deal with other trademark-related matters as entrusted by the principals, and keep confidential the principals' trade secrets that come to their knowledge during the agency process. Where a trademark entrusted by a principal for registration application may fall under the circumstances prescribed by this Law under which registration is not allowed, the trademark agency shall explicitly so inform the principal. A trademark agency shall not accept the entrustment of a principal if it knows or should have known that the trademark entrusted by the principal for registration application falls under any of the circumstances prescribed by Article 15 and Article 32 of this Law. A trademark agency shall not apply for registration of trademarks other than the ones entrusted to it.” For the entire text of the 2014 trademark law, check the official website of WIPO at the link: <https://wipolex.wipo.int/en/text/337563>

⁸¹ 被侵权所受到的实际损失, *bèi qīnquán suǒ shòudào de shíjì sǔnshī*, 侵权人获得的利益, *qīnquán rén huòdé de lìyì*.

At the same time, however, Article 64 states that no compensation is provided when a trademark is not used within three years by the owner: it cannot therefore be called a hypothetical loss, in fact

[第六十四条] 注册商标专用权人请求赔偿，被控侵权人以注册商标专用权人未使用注册商标提出抗辩的，人民法院可以要求注册商标专用权人提供此前三年内实际使用该注册商标的证据。注册商标专用权人不能证明此前三年内实际使用过该注册商标，也不能证明因侵权行为受到其他损失的，被控侵权人不承担赔偿责任。⁸²

⁸² [Art. 64] “Where the holder of the exclusive right to use a registered trademark claims for damages, and the alleged infringer counterclaims that the right holder has never used the registered trademark, the people's court may require the right holder to provide evidence of its actual use of the registered trademark during the past three years prior to the lawsuit. The alleged infringer shall not be liable for compensation if the right holder is neither able to prove its actual use of the registered trademark during the past three years prior to the lawsuit, nor able to prove other losses suffered as a result of the infringement. Where a party is unaware that the goods he sells infringe upon another party's exclusive right to use a registered trademark, and the party is able to prove that the goods are obtained by legitimate means and provide information on the suppliers of the goods, it shall not be liable for compensation.” For the entire text of the 2014 trademark law, check the official website of WIPO at the link: <https://wipolex.wipo.int/en/text/337563>

CHAPTER 2

TRADEMARKS: A GENERAL ANALYSIS

“The trademark is any sign that distinguishes the products or services of one company from those of another competitor.”⁸³

It consists of a graphic representation of words, letters, figures, drawings or images depicting the product, and it can also be presented with combinations or color tones.

The trademark has been defined as a distinctive sign of the company, designed to define a specific good or a specific service: trademark is a very useful tool for both entrepreneurs and consumers who can easily recognise products related to brands of their interest.

Its discipline is also based on national, EU and international sources.

Trademark also has significant value in national accounting where it is considered, according to the civil code, as an asset.⁸⁴

As written in the Official Website of the Italian Minister for the Economic Development

“A registered trademark grants exclusive rights that prevent the unauthorized use, by other companies, of the same trademark or a similar trademark. By not registering the brand, there is the risk of compromising the investments made to promote the sale of a product, as a competitor could adopt a similar brand, confusing consumers who might be heading towards its products instead of those of original supplier. Which, in addition to decreasing the profits of this latter company, risks damaging both its reputation and image, especially if the competitor's product is made of inferior quality.”⁸⁵

⁸³ For further information: <http://www.uibm.gov.it/index.php/marchi/i-marchi-2>

⁸⁴ For further information: <http://www.uibm.gov.it/index.php/marchi/archivio-articoli/2005850-un-asset-da-proteggere>.

⁸⁵ *ibidem*.

A fundamental distinction is made between registered and unregistered trademarks, which gives rise to different protections; anyway, there are various types of marks that differ according to its form and its use.⁸⁶

Depending on the form taken, trademarks are divided into different categories: there are trademarks which consist of a denomination that is one or more words, there are those constituted by a suitable image which identify the products of the company, or those mixing image and denomination.

Depending on the type of use, trademarks can be distinguished in individual, if they're used by the owner of a company, or collective, if used by an association of companies.

The idea of trademark is often related to the idea of business mark. It can be transferred or licensed for all or part of the products or services for which it was registered.⁸⁷

As stated in the Article 7 of the Italian Code of Industrial Property

[Art.7] (1) A trademark may consist of any signs capable of being represented graphically, and in particular words, including personal names, designs, letters, numerals, sounds, the shape of goods or of their packaging, the color combinations or tones, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.⁸⁸

For this reason, we can have different kind of trademark.

The first type of trademarks are those belonging to the category of “word/verbal marks”: they are marks composed only of words without a graphic particularization.⁸⁹

⁸⁶ For further information related to the different categories related to trademarks in generale, check the link: <https://www.studiomarchiebrevetti.it/tipologie-di-marchio/>

⁸⁷ For further informations related to the main functions of a trademark and its evolution during the centuries, check the link: <https://www.dandi.media/2017/04/il-marchio-e-le-sue-funzioni-economiche-e-giuridiche/>

⁸⁸ Article 7, comma 1 of the Industrial Property Code. D.L n. 30, 10 febbraio 2005. For further information and for the official English translation of the *Italian Code of Industrial Property*: http://les-italy.org/wp-content/uploads/2018/03/LES-ITALIA_OK.pdf

⁸⁹ Camera di commercio di Cuneo, *Guida alla tutela di marchi e brevetti: le risposte ai quesiti più frequenti*, for further informations: https://www.cn.camcom.gov.it/sites/default/files/uploads/documents/Marchi_brevetti/guida%20alla%20tutela.pdf

Panasonic

The second type are those so called "patronymic marks", trademarks constituted by the proper name of a person; in the case of known names, they may only be used by the rightful party or by authorized third parties.⁹⁰

Ermenegildo Zegna

Figurative marks are those marks composed of a specific image or a logo possibly accompanied by a textual part (mixed figurative mark), or consisting of a text with a its own graphic connotation.⁹¹



The fourth category of trademarks are those belonging to the category of sounds mark, which are the marks consisting of a melody, a musical tune or a sequence of sounds (think of an advertising jingle, like that of Twenty Century Fox or the roar of a lion of Metro-Goldwyn-Mayer or the recurring theme in Intel processor advertisements).⁹²

After the sounds marks we have the tridimensional marks, formed by the shape of the product or its packaging, which can be registered providing that the shape of the sign has been thought as an expression of creativity (and therefore, be unusual, of imagination) and not derived exclusively

⁹⁰ The Ermenegildo Zegna trademark will be deeply analysed in the last chapter of my thesis with the judgement issued by the Supreme Court of Beijing.

⁹¹ Camera di commercio di Cuneo, *Guida alla tutela di marchi e brevetti: le risposte ai quesiti più frequenti*, for further informations: https://www.cn.camcom.gov.it/sites/default/files/uploads/documents/Marchi_brevetti/guida%20alla%20tutela.pdf

⁹² *ibidem*.

from nature of the product itself (necessary form, of free use) or from a need of a technical nature (in a protected form, in this case, with a patent or a utility model).

Examples of well-known shape brands are: the Mercedes star, the Smart car or the Coca-Cola bottle. ⁹³



The last category of trademarks are those so called color trademarks, consisting of a color or a combination of colors. We must admit that only in exceptional cases colors can be registered as a trademark since, in principle, colors must be accessible to all.

In order to registration as a trademark, it is necessary that a certain shade had become known to the public that associates it to a specific company: think of the color combination of the Burberry brand or the lilac color of the Milka). ⁹⁴



A separate case concerns the so-called "well-known marks".

The well-known mark is in fact a trademark that enjoys a certain notoriety and for this reason enjoys an even more stringent protection.

Well-known marks, in addition to the requirements of validity, have also other typical features, such as: a wide degree of knowledge by the public, an advertising activity that has led it to extend its

⁹³ Camera di commercio di Cuneo, *Guida alla tutela di marchi e brevetti: le risposte ai quesiti più frequenti*, for further informations: https://www.cn.camcom.gov.it/sites/default/files/uploads/documents/Marchi_brevetti/guida%20alla%20tutela.pdf

⁹⁴ *ibidem*.

reputation (both from a geographical extension and a temporal point of view), and the profits achieved and the sales volumes of products associated with this mark. ⁹⁵

In the Chinese context, the reputation of a brand is acquired by the eyes of the Chinese public as a result of its use.

According to the Art. 13 of the Trademark Law, the protection of a well-known trademark can be claimed even if the trademark is not actually registered in China (but has to be registered at least in other countries): trademarks similar to a well-known one, associated to identical product categories that can create confusion in the consumer's mind, must not be registered and must therefore be prohibited in their use. ⁹⁶

At the same time, if a well-known trademark has already been registered in China, it will enjoy greater protection, since the Law provides the prohibition from use of all trademarks considered “similar” to the one taken in exam even if they refer to a different product category.

Trademarks have mainly two functions:

- A. Distinguish certain products from those of competing companies;
- B. Guarantee qualitative characteristics that are essential in the appreciation of the public;

These functions in general can only be performed if the trademark has some fundamental requirements that are known globally as “validity requirements”: they has to be new, distinctive and licit. ⁹⁷

⁹⁵ For further information: <http://aippi.it/wp-content/uploads/2016/10/Slides-AIPPI-Alice-Fratti.pdf>

⁹⁶ *ibidem*.

⁹⁷ Camera di commercio di Reggio Emilia, “Guida all presentazione di marchi e brevetti”, Versione 1.0 del 31/10/2017.

Validity requirements of trademarks

The first feature a mark has to respect in order to be validly registered as a trademark is the idea that it has to be “something new”, in order to not be confused with previous or similar signs (such as brands, domain name and so on): the trademark, in fact, can be considered “new” when it will identify a particular good or services that is not already represented by a similar sign.

Before filling the registration process of a trademark, it's extremely important to carry on appropriated prior researches, in order to verify there are not consistent similarities between services or products described already registered trademarks. ⁹⁸

As written by Ferruccio Dardanello, in his volume “*Guida alla tutela di marchi e dei brevetti: le risposte ai quesiti più frequenti*”,

[...] Generally, registration of similar trademark is only allowed when marks or signs do not describe similar products or services: for example, thinking about the *Fiesta* trademark, both automobiles and snack are described; but at the same time, it is really difficult this trademark could create confusion in consumers' minds, because these two products are really far from being associated to the same category of goods. [...] ⁹⁹

The second feature is that the sign or the mark has to be distinctive, in order to identify immediately that particular kind of product or service with regard to others connected to a different enterprise. ¹⁰⁰

A trademark which is not distinctive, can be considered nullity.

According to its distinctive features, we can distinguish two different types of trademarks: *strong and weak trademarks*. A strong trademark has significant distinctive features, which can be linked to a completely invented sign. On the opposite, weak trademark can be directly linked to commonly used words, signs, or symbols ¹⁰¹.

⁹⁸ Camera di commercio di Reggio Emilia, “Guida all presentazione di marchi e brevetti”, Versione 1.0 del 31/10/2017.

⁹⁹ Dott. Ferruccio DARDANELLO, president of the Patent Information Point della Camera di Commercio di Cuneo, *Guida alla tutela di marchi e dei brevetti: le risposte ai quesiti più frequenti*, edizione 2013, pag. 11-12

¹⁰⁰ *Ibidem*, pag. 13

¹⁰¹ Dott. Ferruccio DARDANELLO, *Guida alla tutela di...*, edizione 2013, pag. 11-12

As a consequence we can say that the process of registration of a weak mark could find obstacles, for this reason creating invented signs or new words could be really helpful in succeeding the registration process.

The last feature is the sign has to be licit: it means that it must have “good behavior”. For this reason, a trademark connected to violence or racism, a trademark that offend the other and which does not respect the law, cannot be registered ¹⁰².

Registered and non-registered trademarks

Rights of the owner start from the filing date of the registration application or from the continued use of the same mark through the so-called “use claim”.

“The registered trademark is a distinctive sign that, following a deposit and subsequent granting by a responsible government agency, enjoys a particular legal protection against third parties. As a distinctive sign, it identifies a good or service by indicating its source of origin in the holder or licensee.” ¹⁰³

The exclusive right that arises from the registration of the trademark allows the owner (or right holders) to use the trademark exclusively to distinguish goods or services, advertising communication relating to the same or in any way any type of commercial or economic activity to they connected.

This exclusivity covers countries in which the trademark has been registered; the exclusivity rights have a limited duration over time, depending on the laws of the individual states and can be renewed subject to a specific procedure and payment of the related fees.

¹⁰² Dott. Ferruccio DARDANELLO, *Guida alla tutela di...*, edizione 2013, pag. 11-12

¹⁰³ For further information: <https://www.mise.gov.it/index.php/it/>

As mentioned in the previous paragraph, in addition to the registered trademarks, it is possible to talk about unregistered trademarks, or so-called de facto trademarks: those types of marks which, having not been registered, enjoy much more weaker legal protection.

Those who use a non-registered trademark, do not enjoy all those protections that derive from its registration, and this can lead to significant consequences, such as being able to incur the possibility that the trademark itself may be counterfeited, or that it may even be registered by third parties.

A COMPARATIVE ANALYSIS BETWEEN THE ITALIAN AND CHINESE LEGISLATION

A registered trademark attributes exclusive rights that prevent the unauthorised use of the same trademark or of a similar trademark, by other companies. ¹⁰⁴

By not registering the trademark there is a risk that the competitor company may adopt a similar trademark, confusing consumers that may head for its products/services rather than to those of the original supplier.

Which, as well as decreasing the profits of the latter company, risks damaging its reputation and image, particularly if the competitor's product is of inferior quality. ¹⁰⁵

The industrial property of the trademark not only covers a defensive function, but it can be monetised, meaning transformed according to a business oriented approach. ¹⁰⁶

Registering a trademark

Although there are treaties and conventions in the field of trademarks which tend to unify the provisions related to the registration process, there are however some differences regarding the

¹⁰⁴ For further informations related to the registration of a trademark and the reasons why it should be done, check the link: <http://www.uibm.gov.it/index.php/marchi/archivio-articoli/2007584-why-register-a-trademark>

¹⁰⁵ *ibidem*.

¹⁰⁶ *ibidem*.

process of registering a trademark according to the Italian provisions, compared to the Chinese ones.

As long as Italy is concerned, in order to become an owner of a national company's trademark, it is necessary to make a filing at the Italian Patent and Trademark Office (IPTO) at the Ministry of Economic Development.

[...] registration of company trademark can be obtained by those using it or propose to use it in manufacturing or trade of products or in the performance of services of own company or controlled companies or that use it with its consent. [...] ¹⁰⁷

As written in the official website of the Italian Minister Department of the Economic Development, before filling the process of registering a trademark, it is necessary to carry out preventive researches related to the trademark intended to be registered, to excluded the possibility that other similar trademarks have already been previously registered.

It is also necessary to identify which are the relevant classes of the Nice Classification related to the trademark we intend to register. ¹⁰⁸

After the observation of these rules, the registration process of national trademarks is divided into several steps. ¹⁰⁹

The first step is the *admissibility*: the Office checks that the application complies with the conditions of Article 148 of Industrial Property Code (*applicant identifiable, reproduction of trademark, list of products and/or services*).

[Art.148] (1) Applications for patents, registration and renewal shall not be admitted if the applicant cannot be identified or contacted, and in the case of first filing of trademarks, also when the application does not contain a reproduction of the mark or the list of products or

¹⁰⁷ Article 19, comma 1, of the Industrial Property Code, D.L. n. 30, 10 febbraio 2005. For further informations: <https://www.brocardi.it/codice-della-proprietà-industriale/capo-ii/sezione-i/art19.html>

¹⁰⁸ For further information related to the registration fo trademarks in Italy, check the Official site of the UIBM: <http://www.uibm.gov.it/index.php/marchi/archivio-articoli/2007589-how-to-register-a-trademark>.

¹⁰⁹ *ibidem*.

services. subject to what is established in paragraph 3, inadmissibility is declared by the Italian Patent and Trademark Office. ¹¹⁰

The second is the *formal examination*: the Office checks that the application contains the requirement written in Article 156 of Industrial Property Code (*content of the application*).

[Art.156] (1) An application for registration of trademark shall contain:

- a) the identification of the applicant and the attorney, if one exists;
- b) any claim of priority or the date from which the effects of the application begin following the granting of conversion of a previous Community application or an application for international registration pursuant to the relevant protocol of the Madrid Agreement Concerning the International Registration of Marks of 27 June 1989, ratified by Law No. 169 of 12 March 1996;
- c) the reproduction of the mark;
- d) the list of the products and services that the mark is intended to identify, grouped according to the categories of classification of the Nice Agreement Concerning the International Classification of Goods and services for the Purposes of Registration of Marks, Geneva text of 13 May 1977, ratified with Law No. 243 of 27 April 1982.¹¹¹

Technical examination starts when the Office, acknowledged the formal regularity of the application for registration, proceeds with the technical examination according to Article 170 of Code ¹¹², to ascertain there are no absolute impediments to the registration.

After the examination, the final step is the *publication*, where the application for registration is immediately made available to the public and reported in the Patents Bulletin for inventions, models and trademarks; this bulletin is published by IPTO (Italian Patent and Trademark Office) on a monthly basis. ¹¹³

¹¹⁰ Article 148, comma 1 of the Industrial Property Code. D.L n. 30, 10 February 2005. For further information and for the official English translation of the *Italian Code of Industrial Property*: http://les-italy.org/wp-content/uploads/2018/03/LES-ITALIA_OK.pdf

¹¹¹ Article 156, comma 1 of the Industrial Property Code. D.L n. 30, 10 febbraio 2005.

¹¹² Article 170, comma 1 of the Industrial Property Code. D.L n. 30, 10 February 2005.

¹¹³ For further information related to the registration of trademarks in Italy, check the Official site of the UIBM: <http://www.uibm.gov.it/index.php/marchi/archivio-articoli/2007589-how-to-register-a-trademark>

Through the *administrative objection*, the Article 176 of IPC provides the option for the owners of a prior right, to oppose the registration of the trademark application within three months from its publication. ¹¹⁴

After having verified that there are no impediments, that no objection has been filed or, if so, that it has been positively resolved, the trademark is registered and the Office issues a certificate of registration. ¹¹⁵ Usually it takes over 4 months between the moment the application is filed and the registration certificate of the trademark is issued. It is compulsory for 3 months to pass following control of admissibility, to allow any administrative objection to the trademark registration to be filed by owners with a prior right. ¹¹⁶

As long as China is concerned, the competent authority to register trademarks in China is the Chinese Trademark Office which is part of the State Administration for Industry and Commerce. ¹¹⁷ Within the SAIC there is also the China Trade Mark Review and Adjudication Board (TRAB), located in Beijing, which has the task of reviewing the decisions taken by the Trademark Office in the various phases of trademark registration. It is a body that operates independently of the Trademark Office. ¹¹⁸

The competence on violations of the rights on marks belongs to the SAIC administrations locally. According to the Trademarks Law, the exclusive right of trade marks can be enjoyed only after registration according to the *first to file* principle ¹¹⁹, which provides for the protection of those who first present the application for registration, unlike the *first to use* principle, which is typical of the

¹¹⁴ For further information related to the registration fo trademarks in Italy, check the Official site of the UIBM: <http://www.uibm.gov.it/index.php/marchi/archivio-articoli/2007589-how-to-register-a-trademark>

¹¹⁵ *ibidem*.

¹¹⁶ *ibidem*.

¹¹⁷ As written on “I Marchi in China: Come Registrare”, by the IPR Desk of Shanghai. At the link: http://www.uibm.gov.it/attachments/article/2004812/i_marchi_in_cina.pdf

¹¹⁸ *ibidem*.

¹¹⁹ *ibidem*.

Anglo-Saxon countries, according to which the trademark right belongs to the person who used it for the first time.

The duration of registration in China is ten years, renewable indefinitely for periods of ten years, and the period starts from the date of publication of the registration.

As in Italy, it is good to remember that before filing the registration application it is absolutely preferable to carry out the prior search in order to ascertain that, for identical or similar goods, there are no other marks identical or similar already registered.

The registration of a trademark in China can take place through two different procedures: the first one is the *national registration*, that is made by depositing a direct application to the Chinese Trademark Office, and the other one which is the *international registration*, that implies an application to the World Intellectual Property Organization, with a request for extension to China.

Related to the national registration, the Art. 27 of the 2014 Trademarks Law says that

[第二十七条] 商标局应当将商标异议材料副本及时送交被异议人，限其自收到商标异议材料副本之日起 30 日内答辩。被异议人不答辩的，不影响商标局作出决定。当事人需要在提出异议申请或者答辩后补充有关证据材料的，应当在商标异议申请书或者答辩书中声明，并自提交商标异议申请书或者答辩书之日起 3 个月内提交；期满

未提交的，视为当事人放弃补充有关证据材料。但是，在期满后生成或者当事人有其他正当理由未能在期满前提交的证据，在期满后提交的，商标局将证据交对方当事人并质证后可以采信。¹²⁰

In the event of a positive outcome, the Official Registration Certificate is issued.

The second type of registration is the one done internationally: international registration is administered by the World Intellectual Property Organization (WIPO).

As China has ratified both the Madrid Agreement and the Protocol on International Registration, it is possible to extend globally the national registration of a good or service.

The registration application is valid only if the national registration has already been made or if it is pending. The advantages of the international registration lies in the possibility of presenting a single application at a single specific office, in a single language, with internationally established tariffs, obtaining protection from all members of the Madrid system for which it is required.

The application for registration has to be presented to the Trademark Office of the country of origin (*office of origin*), which, after a preliminary examination, forwards it to WIPO. The latter, having verified the regularity of the application, notes the registration in the International Registry and, in case of positive outcome, publishes it in the WIPO Journal.¹²¹

¹²⁰ [Article 27] The Trademark Office shall promptly send the duplicate copy of the opposition materials to the opposed party, who shall be required to respond within 30 days from the date of receipt of the duplicate copy of the opposition materials. Where the opposed party fails to make a response, the making of a decision by the Trademark Office shall not be affected. Where a party needs to supplement related evidence after filing an application for opposition or after making a response, a statement shall be made in the Application for Trademark Opposition or in the response, and the evidence shall be submitted within 3 months from the date on which the application is filed or the response is made; where no evidence is submitted at the expiration of the time limit, the party shall be considered giving up making supplements to related evidence. However, where evidence accrued after the expiration of the time limit or a party failed to submit the evidence within the time limit for other justifiable reasons, and when such evidence is submitted after the expiration of the time limit, the Trademark Office shall send the evidence to the other party and may accept it after cross-examination. For the entire text of the 2014 trademark law, check the official website of WIPO at the link: <https://wipo.lex.wipo.int/en/text/337563>

¹²¹ For further information, check the link: http://www.uibm.gov.it/attachments/article/2004812/i_marchi_in_cina.pdf

The duration of the international registration is ten years from the date of approval, and is renewable with a ten-year maturity. The renewal of the registered trademark must be requested at least six months before the expiry date.¹²²

Registration in China does not cover the Special Administrative Regions of Hong Kong and Macao, nor does it cover Taiwan and Singapore, which constitute separate jurisdictions.

Furthermore, in order for the trademark to adequately protect both the name of the company and that of its assets, it is preferable to record and use not only the version in Latin characters, but also the other version using Chinese characters. There is in fact the possibility of recording it in traditional, simplified characters or in both versions.

The rights to use a trademark are valid only in the territory of the state in which the registration has been made.

Given the value and importance that a brand can have in determining the success of a product, it is in the interest of the company to register the trademark in all export countries or in which it intends to grant its trademark under license to use: a far-sighted business policy should seriously consider registering company brands in China. If there is an interest in entering the Chinese market with its products and services, a timely registration would make it possible to insure against the risk of third parties registering, even in bad faith, an identical or very similar brand to their own.

Cases in which Chinese entrepreneurs have acquired ownership in China of registered trademarks in Italy are not infrequent, exploiting their reputation or subsequently trying to sell them to the Italian owner behind the payment of substantial sums.

Even in the hypothesis that there is no interest in entering the Chinese market with its own brands, there is still the risk of discovering counterfeiting problems. Having a trademark registered in China allows you to prevent third parties from registering and using identical or very similar brands,

¹²² For further information, check the link: http://www.uibm.gov.it/attachments/article/2004812/i_marchi_in_cina.pdf

making use for this purpose of all the protections prepared by Chinese law before any counterfeit goods enter the European and Italian market.

On the contrary, waiting to discover counterfeit versions of your brand before registering it in China means condemning yourself to act against the counterfeiter in the individual national markets in which property rights can be claimed: a less effective and more burdensome solution.

Nullity, extinction and transfer of a trademark

In the period of life of a mark, there is the possibility for the trademark of being transferred, of being considered null, and of being extinguished due to various reasons.

As written by Giovanni Sena

[...] “A trademark expires due to failure to renew or for forfeiture or total renunciation.”¹²³

According to the Art. 26 of the Italian Industrial Property Code, the trademark may be invalidated due to “vulgarisation, unlawful occurrence and non-use” for five consecutive years.

The vulgarisation occurs when a trademark loses its distinctive capacity and becomes a generic name: for this reason trademark no longer identifies a given product from a given manufacturer but simply identifies a commodity product regardless of its source of origin.

As stated in the Art. 14, comma 2, of IPC forfeiture of a trademark happens when

[...] “a) if it has become suitable to mislead the public, in particular regarding the nature, quality or origin of the products or services, due to the manner and context in which it is used by the owner or with his consent, for the products or services for which it is registered; b) whether it has become contrary to the law, public order or morality; c) by omission by the owner of the controls required by the regulatory provisions on the use of the collective mark.”¹²⁴

¹²³ Giovanni SENA, *Il Diritto dei Marchi. Marchio nazionale e marchio comunitario*, op. cit.; V. Mangini, *Manuale breve di diritto industriale*, 2 ed., Torino, Giappichelli, 2005

¹²⁴ For further information, check the link: <https://www.brocardi.it/codice-della-proprietà-industriale/capo-ii/sezione-i/art14.html>

Forfeiture of a trademark can also be due to a non-use: based on the Art. 24 of the Code, in fact

[...] “Under penalty of forfeiture, the trademark must be the object of actual use by the owner or with his consent, for the products or services for which it was registered, within five years of registration, and such use must not be suspended for a uninterrupted period of five years, unless the non-use is justified by a legitimate reason.”

The trademark, on the other hand, is “void” (or null) if it lacks distinctive capacity and the requirements prescribed by law for its registration: in this case we talk about “absolute nullity” which can be asserted by anyone interested in it. The situation of “relative nullity” happens when a trademark is conflicting with prior rights of third parties that can be asserted by the holders of the conflicting prior rights.¹²⁵

The trademark can be transferred to third parties in its entirety or just as a part, always relating to the products and services for which it was registered.¹²⁶ As in the trademark regulation governed by the Italian legislation, also in China trademarks have the possibility of being transferred.

As in fact explained in Article 39 of the Law of Trademarks of 2014,

[第三十九条] 【注册商标的转让】 转让注册商标的，转让人和受让人应当签订转让协议，并共同向商标局提出申请。受让人应当保证使用该注册商标的商品质量。转让注册商标经核准后，予以公告。受让人自公告之日起享有商标专用权。¹²⁷

¹²⁵ Alberto VANZETTI, Valerio DI CATALDO, *Manuale di diritto industriale*, Milano, Giuffrè, 2003.

¹²⁶ For further information, check the link: <https://www.brocardi.it/codice-della-proprietà-industriale/capo-ii/sezione-i/art23.html>

¹²⁷ For further information, check the original text of the 2014 Chinese trademark law at the official WIPO website: <https://wipolex.wipo.int/en/text/181402>. If a registered trademark is transferred, the assignor and the assignee shall sign a transfer agreement and **jointly file an application with the Trademark Office**. The transferee shall guarantee the quality of the goods using the registered trademark. After the transfer of the registered trademark has been approved, it will be announced. The assignee has the exclusive right to use the trademark from the date of the announcement.

As for the extinction of the same mark, in China there are two possible cases that can be presented: the first is the case in which the extinction occurs due to the non-use, which corresponds to a period of three years.

The second case occurs when someone opposes the registration in the event that it is made in a misleading way, as presented in Articles 10, 11 and 12 of the Trademarks Law.

[第十条] 【禁止作为商标使用的文字、图形】下列标志不得作为商标使用: (一)同中华人民共和国的国家名称、国旗、国徽、军旗、勋章相同或者近似的, 以及同中央国家机关所在地特定地点的名称或者标志性建筑物的名称、图形相同的; (二)同外国的国家名称、国旗、国徽、军旗相同或者近似的, 但该国政府同意的除外; (三)同政府间国际组织的名称、旗帜、徽记相同或者近似的, 但经该组织同意或者不易误导公众的除外; (四)与表明实施控制、予以保证的官方标志、检验印记相同或者近似的, 但经授权的除外; (五)同“红十字”、“红新月”的名称、标志相同或者近似的; (六)带有民族歧视性的; (七)夸大宣传并带有欺骗性的; (八)有害于社会主义道德风尚或者有其他不良影响的。县级以上行政区划的地名或者公众知晓的外国地名, 不得作为商标。但是, 地名具有其他含义或者作为集体商标、证明商标组成部分的除外; 已经注册的使用地名的商标继续有效。¹²⁸

[第十一条] 【禁止作为商标使用的标志】下列标志不得作为商标注册: (一)仅有本商品的通用名称、图形、型号的; (二)仅仅直接表示商品的质量、主要原料、功能、用

¹²⁸ For further information, check the original text of the 2014 Chinese trademark law at the official WIPO website: <https://wipo.lex.wipo.int/en/text/181402>. **Art. 10 [Texts and graphics prohibited from being used as trademarks]** The following marks shall not be used as trademarks: (1) The same or similar to the name, national flag, national emblem, military flag, medal of the People's Republic of China, and the specific location of the central state agency The name of the place or the name and figure of the landmark building are the same; (2) The same or similar to the name, national flag, national emblem or military flag of the foreign country, except with the consent of the government; (3) International organizations with the government The name, flag or emblem is the same or similar, except with the consent of the organization or it is not easy to mislead the public; (4) the same or similar to the official mark and inspection mark indicating the implementation of control, guarantee, except authorized; (5) the same or similar to the names and signs of "Red Cross" and "Red Crescent"; (6) with ethnic discrimination; (7) exaggerated propaganda and deceptive; (8) harmful to Socialist morality may have other adverse effects.

The place names of administrative divisions above the county level or foreign names known to the public may not be used as trademarks. However, the place name has other meanings or is part of the collective mark or certification mark; the registered use of the place name trademark continues to be valid.

途、重量、数量及其他特点的; (三)缺乏显著特征的。前款所列标志经过使用取得显著特征, 并便于识别的, 可以作为商标注册。¹²⁹

[第十二条] 【禁止作为商标使用的商品性状】以三维标志申请注册商标的, 仅由商品自身的性质产生的形状、为获得技术效果而需有的商品形状或者使商品具有实质性价值的形状, 不得注册。¹³⁰

According to the Italian Industrial Property Code, the Art. 23 introduces also the notion of “license” related to trademarks.

The term *license* means a contractual form through which the owner of the trademark right recognizes to a third party the right to use the trademark, without losing ownership. The license is divided into: exclusive when the use is granted only to the licensee; non-exclusive when the use is granted to more than one licensees and may have as its object the totality or partiality of products or services.

In addition, as written in the comma 3,

[Art. 23] The owner of a trademark can assert the right to the exclusive use of the trade mark itself against the licensee who violates the provisions of the license agreement in relation to the duration; the manner of use of the trademark, the nature of the products or

¹²⁹ For further information, check the original text of the 2014 Chinese trademark law at the official WIPO website: <https://wipolex.wipo.int/en/text/181402>. **Art. 11 [Prohibition of Use as a Mark for Trademarks]** The following marks shall not be registered as trademarks: (1) only the common name, graphics and model of the commodity; (2) directly indicating the quality, main raw materials, functions, Use, weight, quantity and other characteristics; (3) lack of distinctive features. If the mark listed in the preceding paragraph is used for its distinctive features and is easily identifiable, it can be registered as a trademark.

¹³⁰ For further information, check the original text of the 2014 Chinese trademark law at the official WIPO website: <https://wipolex.wipo.int/en/text/181402>. **Art. 12 [Prohibition of Commodity Traits Used as Trademarks]** Where a three-dimensional mark applies for a registered trademark, the shape produced only by the nature of the commodity itself, the shape of the commodity required to obtain the technical effect, or the shape that makes the commodity of substantial value, may not be registered.

services for which the license is granted, the territory in which the trademark can be used or the quality of the products manufactured and the services provided by the licensee. ¹³¹

Although the transfer and licensing actions are legally recognized and can be put into practice without any obstacles, it should be emphasized that this should not give rise to forms of deception that lead the customer to be "deceived" about the real nature of the products and of services related to that specific trademark. ¹³²

A RELATED PROBLEM: UNFAIR COMPETITION AND COUNTERFEITING PHENOMENON

In Italy, the owner of a trademark can prevent the importation of goods suspected of being counterfeit on the basis of EC Regulation no. 1383/2003; this legislative provision allows blocking suspected goods at every Italian border.

If a Customs Office suspects some goods to be counterfeited, it will contact the owner of the monitored trademark and the latter will have ten working days to indicate to customs whether the goods are original or not.

If the goods are counterfeited, Customs will provide for its seizure and criminal proceedings will be automatically initiated. The trademark owner has the right to be informed of the origin and destination of the counterfeited goods to be able to act (even initiating a civil action) against the final recipient.

¹³¹ For further information, check the original text of the 2014 Chinese trademark law at the official WIPO website: <https://wipolex.wipo.int/en/text/181402>. **[Prohibition of Commodity Traits Used as Trademarks]** Where a three-dimensional mark applies for a registered trademark, the shape produced only by the nature of the commodity itself, the shape of the commodity required to obtain the technical effect, or the shape that makes the commodity of substantial value, may not be registered.

¹³² For further information, check the link: check the link: <https://www.brocardi.it/codice-della-proprietà-industriale/capo-ii/sezione-i/art23.html>

The primary objective of the discipline of unfair competition is to *guarantee the proper functioning and balanced development of the market economic model*, and has the objective of establishing rules to prevent competition from giving rise to unsustainable conflicts.¹³³

In fact, counterfeiting is pervasive, global and a field of action for organised crime. It covers all production sectors, from clothing to drugs and cosmetics, from food to design objects, from toys to mechanics, by altering the rules of operation of the competitive market, damaging companies that operate in a legal way, and representing a danger for the safety and health of consumers.¹³⁴

Counterfeiting also damages the economic system as a whole because it subtracts tax revenues and jobs from the community.

Generally speaking, counterfeiting is the violation of an intellectual property right perpetrated through the unlawful reproduction of an asset and its commercialization *uti originalis*¹³⁵, in violation of an intellectual or industrial property right.

In a broader sense, the notion under consideration refers to the illegal conduct of unauthorized production and marketing of goods bearing a trademark identical to a registered trademark, including the production of goods that constitute illegal reproduction of copyrighted products, a phenomenon better known as "piracy", of models and designs.

The damage that the phenomenon causes to the legal economy is affecting profoundly both public and private interests: it represents a disincentive to innovation, causing damages to companies that operate legally.¹³⁶

¹³³ Vito MANGINI, *Manuale breve di diritto industriale*, cit., pp. 41-42

¹³⁴ For further information, check the website: <http://www.uibm.gov.it/index.php/lotta-alla-contraffazione>

¹³⁵ As written on the website of the Italian Guardia di Finanza: <http://www.gdf.gov.it/chi-siamo/organizzazione/competi-istituzionali/lotta-alla-contraffazione/la-contraffazione>

¹³⁶ *ibidem*.

Counterfeiting as a consequence is connected to the lack of sales, reduction in turnover, loss of image and credibility, and companies have to face significant expenses for the protection of industrial property rights.

Furthermore, the counterfeit products, which are manufactured outside the legal channels, do not guarantee compliance with the production and compliance standards established at national and European level, with obvious possible negative repercussions in terms of consumer safety.

Potential social implications must also be considered, connected both to the exploitation of vulnerable subjects through a real racket of undeclared work, with contribution evasion, loss of jobs and lack of insurance coverage linked with illicit activities managed by criminal organisations.

If counterfeit products are purchased outside of legitimate commercial channels, it will usually be impossible for the consumer to access after-sales services or benefit from any form of guarantee, nor will he be able to take advantage of effective remedies in the event of damage caused from the product purchased.¹³⁷

Consumers are ultimately more or less aware of such phenomenon¹³⁸: for this reason, an effective fight against counterfeiting and piracy can only bring benefits to consumers, who, in turn, should develop a personal interest aimed to prevent the spread of such phenomena.

As Tartaglione and Gallante explain,

[...] “Counterfeiting and the fight against piracy have in recent years become fixed issues on the agenda of the most important Summit meetings, such as the G8, demonstrating how extensive the phenomenon is worldwide and how great is the apprehension economic and social impact on governments and the urgent need to implement more effective countermeasures at international level.” [...]

¹³⁷ Clemente TARTAGLIONE & Fabrizio GALLANTE, *L'industria del falso e le misure di contrasto alla contraffazione nell'economia della moda*, at the link: https://www.ares20.it/pdf/innovazione_sostenibilita/contraffazione_moda_2008.pdf

¹³⁸ *ibidem*.

For Italy in particular, the fight against the phenomenon of counterfeiting assumes a strategic importance for the peculiarity of typical products with the Made in Italy mark and their competitiveness in the international market.¹³⁹

Trademark counterfeiting

In recent years the world economy has been continuously integrated, moving towards a knowledge-based economy, in which the companies that obtain a dominant position in the market are no longer just those that acquire a competitive advantage in the material characterization of the products but, on the contrary, those able to connote their products with intangible factors.

Counterfeiting is however a phenomenon that has always existed, starting from the falsification of banknotes to the most recent counterfeit cases in the luxury fashion sector.¹⁴⁰

As written by Arlee Sowder in his essay *The harmful effects of counterfeit goods*,

“[...] The business of counterfeit goods is one of the largest underground industries in the world and growing rapidly. The impact on the global economy is in the billions of dollars. This article examines the reasons why counterfeiting has become such a lucrative business, the negative and harmful effects counterfeit goods have on industries and consumers, as well as the difficulties encountered in apprehending and prosecuting offenders. The role of the consumer is explored as a key factor in curtailing the activities of counterfeiters. [...]”

¹⁴¹

Trademark counterfeiting is strictly connected with the legitimate use of a trademark: the owner of the registered trademark has the right to make exclusive use of the trademark for the entire period of validity of the registration, with an unlimited renewal.¹⁴²

¹³⁹ Clemente TARTAGLIONE & Fabrizio GALLANTE, *L'industria del falso e le misure di contrasto alla contraffazione nell'economia della moda*, at the link: https://www.ares20.it/pdf/innovazione_sostenibilita/contraffazione_moda_2008.pdf

¹⁴⁰ SOWDER Arlee, *The harmful effects of counterfeit goods*, at the link: <https://www.athens.edu/business-journal/spring-2013/asowder-couterfeit/>

¹⁴¹ *ibidem*.

¹⁴² For further information check the website: <https://ufficiomarchibrevetti.it/2010/07/contraffazione-del-marchio/>

It is therefore automatic to think that the owner of a trademark has the right to prohibit others from using his trademark in other economic activities, without his consent. ¹⁴³

In particular, it's prohibited to use

- A. A sign identical to the trademark for products or services identical to those for which it was initially registered;
- B. A sign identical or similar to the registered trademark, for identical or similar products or services, if due to the identity or similarity between the signs and the identity or affinity between the products or services, a likelihood of confusion may arise for the public, which may also consist of a risk of association between the two signs;
- C. A sign identical or similar to the registered trademark for products or services, even if not similar, if the registered trademark enjoys “a status of repute” and if the use of the sign without due reason allows to take unfair advantage of the distinctive character or reputation of the trademark itself. ¹⁴⁴

The owner of a trademark may forbid third party to affix the sign on the products or on their packaging, to place products with same sign on the market or to hold them for such purposes, to offer or provide the services marked by the same sign, to import or export products with the same sign and to use the sign in business correspondence and advertising.

To conclude, the assumptions of trademark infringement are the use in the economic activities of a trademark identical or similar to a registered one that can create confusion with the products and services. ¹⁴⁵

¹⁴³ For further information check the website: <https://ufficiomarchibrevetti.it/2010/07/contraffazione-del-marchio/>

¹⁴⁴ *ibidem*.

¹⁴⁵ *ibidem*.

Trademark counterfeiting according to the Italian Law

Our Italian criminal legislation has largely addressed the problem of counterfeiting, both linked to the definition of this problem, and linked to all those sanctionable conducts connected to it.

The Italian regulatory system against the phenomenon is substantially structured on three pillars:

Article 473 and 474 of the Criminal Code, and the combined articles 517 of the same Code.¹⁴⁶

Article 473 and 474 which deal with issues in this regard, state that

[Art. 473] Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs.

Anyone who can know of the existence of the industrial property title, counterfeits or alters trademarks (2) or distinctive marks, national or foreign, of industrial products, or anyone, without being involved in counterfeiting or alteration, makes use of such marks or signs counterfeit or altered, he is punished with imprisonment from six months to three years and with a fine from € 2,500 to € 25,000.

The penalty is imprisonment from one to four years and a fine from € 3,500 to € 35,000 anyone who forges or alters industrial, national or foreign patents, designs or models (3), or, without being involved in counterfeiting or alteration, uses such counterfeit or altered patents, designs or models (4).¹⁴⁷

[Art. 474] Introduction into the State and trade in products with false signs.

(1) Out of the competition cases in the crimes provided for in article 473, anyone who introduces industrial products with trademarks (2) or other distinctive marks, national or foreign, counterfeit or altered is punished with imprisonment from one to four years and a fine from € 3,500 to € 35,000.

Out of the concessions in counterfeiting, alteration, introduction into the territory of the State, anyone holding for sale, puts up for sale or otherwise puts into circulation, in order to gain profit, the products referred to in the first paragraph shall be punished with imprisonment up to at two years and with a fine of up to € 20,000 (3).¹⁴⁸

¹⁴⁶ For further information: https://www.senato.it/application/xmanager/projects/leg17/attachments/documento/files/000/028/559/DA05_-_Lotta_alla_contraffazione_e_tutela_del_made_in_Italy_DEF.pdf

¹⁴⁷ For further information: https://www.brocardi.it/codice-penale/libro-secondo/titolo-vii/capo-ii/art473.html?utm_source=internal&utm_medium=link&utm_campaign=articolo&utm_content=nav_art_succ_dispositivo

¹⁴⁸ For further information: https://www.brocardi.it/codice-penale/libro-secondo/titolo-vii/capo-ii/art474.html?utm_source=internal&utm_medium=link&utm_campaign=articolo&utm_content=nav_art_succ_dispositivo

As written in the article 474, it must be emphasized that the idea of counterfeiting must not be confused with the idea of alteration or imitation: we can affirm that, as well as being said also in the *Encyclopedia of Law*, counterfeiting is considered as the action of giving the appearance of genuineness to a thing that differs from the one imitated for qualitative, or quantitative or for the origin from subjects not officially authorized to carry it out.¹⁴⁹

The alteration instead, is not only considered as the real change of a genuine thing, but as a real *subversion of the structure of a certain thing*.¹⁵⁰

The concept of imitation, on the other hand, consists in the *slavish reproduction of the external appearance (therefore relative to a purely formal aspect, not relevant to the technical-productive side) of a competitor's product*, in order to create confusion in consumers' mind.¹⁵¹

It is also necessary to add that when we talk about counterfeiting, we are talking about a complete reproduction, while in both other cases of imitation and alteration the reproduction is considered only partial.

As presented in the Legal Encyclopedia by Aniello Nappi,

[...] "Counterfeiting is the reproduction of a brand with the same meaning as the indication of the origin of the original, with which it is not necessary to have an absolute identity.

As for the alteration due to the prevailing doctrine, it consists in the tampering of a single mark so as to modify it.

In jurisprudence, on the other hand, it is argued that alteration would be the partial reproduction of a trademark, unlike the integral reproduction which would result in counterfeiting." [...] ¹⁵²

In conclusion we can say that counterfeiting can be traced back to "non genuine" or dangerous goods, which carry the reproduction, alteration or imitation of distinctive signs (whether they are registered or not makes no difference), and that they can be consequently mistaken for the originals.

¹⁴⁹ ENCLICLOPEDIA DEL DIRITTO, Milano, Giuffrè Editore, pag. 748-749.

¹⁵⁰ *ibidem*.

¹⁵¹ Vito MANGINI, *Manuale breve di...*, p.47

¹⁵² Aniello NAPPI, *Falsità in sigilli e contrassegni*, in ENCICLOPEDIA GIURIDICA, cit.

Of great importance is also article 517 of the Italian Penal Code entitled "Sale of Industrial Products with false signs".

[Art. 517] Anyone who sells or otherwise puts into circulation intellectual works or industrial products, with national or foreign names, trademarks or distinctive signs, which are likely to mislead the buyer as to the origin, origin or quality of the work or product, is punished, if the fact is not foreseen as a crime by another provision of law, with imprisonment up to two years and with a fine of up to twenty thousand euros.¹⁵³

Trademark counterfeiting according to the Chinese Law

Regarding the problem of counterfeiting from the point of view of the reality of the People's Republic of China, on October 1, 1997 the first Criminal Law came into force, which replaced that of 1979, with a subsequent amendment dated to 2009.¹⁵⁴

In this law in particular seven case studies are presented (also defined seven types of "crime") that concern the infringement of intellectual property.

Among these cases we find the counterfeiting of a registered trademark, the sale of goods with a counterfeit registered trademark, the illicit manufacture/sale of signs of others' registered trademarks, the infringement of patents, the infringement of copyright, the sale of copies in violation of copyright and the unlawful dissemination and appropriation of other trade secrets.

We are certainly interested in the first three cases, namely those related to the counterfeiting of the trademark, the sale of goods with a counterfeit registered trademark and the illicit manufacture/sale of signs of others' registered trademarks.

¹⁵³ For further information: https://www.brocardi.it/codice-penale/libro-secondo/titolo-vii/capo-ii/art517.html?utm_source=internal&utm_medium=link&utm_campaign=articolo&utm_content=nav_art_succ_dispositivo

¹⁵⁴ Feng HUANG, *Protezione penale della proprietà intellettuale e recenti evoluzioni del diritto penale commerciale cinese*, in TIMOTEO, *Regimi e tutela...*, pag. 105

In particular

[第二百一十三条] 【假冒注册商标罪】未经注册商标所有人许可，在同一种商品上使用与其注册商标相同的商标，情节严重的，处三年以下有期徒刑或者拘役，并处或者单处罚金;情节特别严重的，处三年以上七年以下有期徒刑，并处罚金。¹⁵⁵

[第二百一十四条] 【销售假冒注册商标的商品罪】销售明知是假冒注册商标的商品，销售金额数额较大的，处三年以下有期徒刑或者拘役，并处或者单处罚金;销售金额数额巨大的，处三年以上七年以下有期徒刑，并处罚金。¹⁵⁶

[第二百一十五条] 【非法制造、销售非法制造的注册商标标识罪】伪造、擅自制造他人注册商标标识或者销售伪造、擅自制造的注册商标标识，情节严重的，处三年以下有期徒刑、拘役或者管制，并处或者单处罚金;情节特别严重的，处三年以上七年以下有期徒刑，并处罚金。¹⁵⁷

With an analysis related to the Articles taken in exam, we can say that the Chinese Criminal Law is much harsher and harsher with regard to the problem of the penalty of imprisonment.

Even though the duration of imprisonment in the Italian Law can be considered shorter, and the punishment lighter, we must consider the fact that in Italy the aggravating circumstance is provided

¹⁵⁵ For the entire list of the Articles of the PRC Criminal Law, check the official website of WIPO at the link: <https://wipolex.wipo.int/en/text/181341>. English translation: **Article 213** Using an identical trademark on the same merchandise without permission of its registered owner shall, if the case is of a serious nature, be punished with imprisonment or criminal detention of less than three years, with a fine, or a separately imposed fine; for cases of a more serious nature, with imprisonment of over three years and less than seven years, and with fine.

¹⁵⁶ For the entire list of the Articles of the PRC Criminal Law, check the official website of WIPO at the link: <https://wipolex.wipo.int/en/text/181341>. English translation: **Article 214** Knowingly selling merchandise under a faked trademark with a relatively large sales volume shall be punished with imprisonment or criminal detention of less than three years, with a fine or a separately imposed fine; in cases involving a large sales volume, with imprisonment of more than three years but less than seven years, and with fine.

¹⁵⁷ For the entire list of the Articles of the PRC Criminal Law, check the official website of WIPO at the link: <https://wipolex.wipo.int/en/text/181341>. English translation: **Article 215** Forging or manufacturing without authority or selling or manufacturing without authority other's registered trademarks or identifications shall, for cases of a serious nature, be punished with imprisonment or criminal detention, or restriction for less than three years, with a fine or a separately imposed fine; for cases of a especially serious nature, with imprisonment of over three years and less than seven years, and with fine.

for "reiteration", which leads to a judgment of imprisonment for a maximum of six years, almost equal to the penalty provided for by Chinese law.

Another difference that exists between the Italian penal system and the Chinese one is that while in the Italian one is foreseen a maximum limit of monetary sanction, equivalent to 50 thousand euros, in the Chinese legislation this maximum ceiling is not explicit, leaving this question all now open.

After having analyzed the discipline of trademark, both from a general and from a national point of view, we are going to focus deeply on the phenomenon, with all its features and its tools of protection. This first part of the last chapter is aimed to introduce the main case study I decided to present: an English translation of an official judgement issued by the Supreme People's Court, which clearly shows how the problem of trademark infringement can be solved, analysing its pros and cons.

CHAPTER 3

COUNTERFEITING IN CHINA

Identifying the real origin of counterfeit products is increasingly difficult.

The imitated goods take the most diverse routes, pass through many countries through secondary routes, before reaching the distribution points. Nevertheless, as far as the international panorama is concerned, it is possible to identify some geographical areas where the activity of counterfeiters is particularly relevant.¹⁵⁸

The counterfeit product follows complex and articulated routes, passing through different countries and with secondary itineraries, before reaching the distribution sites.

The products are often partly produced in one country, assembled in another, transported through third parties and eventually sold in a fourth country.

In other words, capital, production units, distribution channels and markets are usually "compartmentalized".

Counterfeiters use every form of available transport: by air, land and sea, and without difficulty they use the fastest and most technologically advanced methods. They also use hedging companies for their marketing activities.

Economic globalization and the development of world trade have facilitated the emergence of these organized networks that operate across borders, making the task of neutralizing them much more difficult.

The Far East is indicated as the main source of counterfeit products.

It is estimated that around 70% of the world's counterfeit production comes from Southeast Asia.

The destination is 60% of the European Union, 40% of the rest of the world.

¹⁵⁸ Clemente TARTAGLIONE & Fabrizio GALLANTE, *L'industria del falso e le misure di contrasto alla contraffazione nell'economia della moda*, at the link: https://www.ares20.it/pdf/innovazione_sostenibilita/contraffazione_moda_2008.pdf

China is considered by far at the first place in the list of those so-called “producing counterfeit-product country”, followed by Korea, Taiwan, Hong Kong, Thailand and other countries in the area. It should be noted that under international pressure and internal problems, the Chinese authorities (estimated at 60% of the fakes in the world) have become more and more resolute against fake manufacturers.¹⁵⁹

Analyzing the phenomenon in the Chinese society

As for China, the first case of counterfeiting dates back to the first half of the eighteenth century, precisely to 1736, that is when the local government of Suzhou, sanctioned a textile factory that sold its products using the brand of another factory.¹⁶⁰

As Cavalieri points out, the phenomenon of counterfeiting is extremely complex and finds many causes, both in the political and in the socio-economic structure of a country.

With a specific reference to China¹⁶¹, counterfeiting

[...] si collega non tanto alla presunta propensione antropologica dei cinesi a violare la legge e a copiare le altrui opere di ingegno, quanto piuttosto a quella tendenza generalizzata dell'intero sistema giuridico cinese a un'applicazione incostante, approssimativa e selettiva

¹⁵⁹ Clemente TARTAGLIONE e Fabrizio GALANTE, *L'industria del falso e le misure di contrasto alla contraffazione nell'economia della moda*, at the link: https://www.ares20.it/pdf/innovazione_sostenibilita/contraffazione_moda_2008.pdf

¹⁶⁰ ZHENG C. e PENDLETON M., *Copyright Law in China*, Ed. CCH Australia Limited, 1987, p. 21, cit. in Gordon C.K. Cheung, *Intellectual Property Rights in China, Politics of Piracy, Trade and Protection*, New York, Routledge Contemporary China Series, 2009, p. 86.

¹⁶¹ Renzo CAVALIERI, *Commercio, investimenti e trasferimenti di tecnologia in Cina*, in (a cura di) TIMOTEO M., *Regimi e tutela della Proprietà intellettuale in Cina*, collana Marco Polo 750 anni, Roma, Tiellemmedia Editore, 2008, p. 177.

delle leggi e dei regolamenti da parte degli organi amministrativi, doganali e giudiziari, soprattutto a livello periferico. [...] ¹⁶²

Cavaliere, therefore, admits the inadequacy that characterizes the Chinese discipline of trademark and its protection.

This inadequacy is certainly due to a very approximate legislative apparatus that also influences the sanctioning system and all those possible measures in the event of a violation.

In this regard, the Chinese Penal Code of 1997 (Title III, Chapter VII) also expresses seven types of offences against intellectual property, for which prison and/or pecuniary penalties are provided ¹⁶³:

1. Counterfeiting of registered trademark: Art. 213 indeed punishes anyone - 在同商品上使用注册相同的 (*zài tóngyī zhǒng shāngpǐn shàng shà yòng yòng qí zhù cè shāngbiāo xiāngtóng de shāngbiāo*), who use a trademark equal to another duly registered and on the same type of goods;
2. Sale of goods with a counterfeit registered trademark: Art. 214 prescribes detention penalties and pecuniary penalties for anyone - 销售明知假冒注册的商品 (*Xiāoshòu míngzhī shì jiǎmào zhù cè shāngbiāo dì shāngpǐn*), who consciously trades counterfeit goods;
3. Falsification or illicit manufacture of signs of other registered trademarks, or illicit sale of such signs: Art. 215 provides, in fact, prison sentences or fines for anyone - 伪造, 擅自制造他人注

¹⁶² For English translation: [...] is connected not so much to the alleged anthropological propensity of the Chinese to violate the law and to copy the works of others of genius, but rather to that generalized tendency of the entire Chinese legal system to an inconstant, approximate and selective application of laws and regulations by administrative, customs and judicial bodies, especially at the peripheral level. [...]. Renzo CAVALIERI, “Commercio, investimenti e trasferimenti di tecnologia in Cina”, in Marina TIMOTEO, “*Regimi e tutela della Proprietà Intellettuale in Cina*”, Tellemedia Editore, Roma, 2008, p. 177

¹⁶³ 中华人民共和国刑法, *Zhōnghuá rénmín gònghéguó xíngfǎ*. For the consultation of the articles cited in Chinese and English see the NPC site, http://www.npc.gov.cn/wxzl/wxzl/2000-12/17/content_4680.htm. For full consultation of the entire Criminal Law in English, see the NPC website, http://www.npc.gov.cn/englishnpc/Law/2007-12/13/content_1384075.htm.

册商标的销售伪造、擅自的注册商标标识 (*wèizào, shànzì zhìzào tā rén zhùcè shāngbiāo biāozhì huòzhě xiāoshòu wèizào, shànzì zhìzào de zhùcè shāngbiāo biāozhì*), who infringes or uses without permission the trademark registered by others or trades counterfeit goods;

4. Counterfeiting of patents of others: Art. 216 provides for imprisonment or pecuniary penalties for anyone - 假冒他人专利 (*Jiǎmào tā rén zhuānli*), performs acts of infringement of others' patents;
5. Violation of copyright: Art. 217 provides for several cases in which anyone - 侵犯著作权 (*qīnfàn zhùzuòquán*), that is to say violates the right of the author, may incur custodial and pecuniary penalties;
6. Sale of copies in violation of copyright: the art. 218 punishes anyone - 销售明知侵权复制品 (*Xiāoshòu míngzhī shì qīnquán fùzhìpǐn*), sells copies that violate the copyright, according to the provisions of art. 217;
7. Illicit distribution and appropriation of other trade secrets: according to the provisions of the art. 219, is punished - 侵犯商业行为, 给商业的权利人造成重大损失 (*qīnfàn shāngyè mìmi xíngwéi, gěi shāngyè mìmi de quánlì rén zàochéng zhòngdà sǔnshī*), anyone who violates the trade secrets causing serious loss to the owner of the right.

In addition to considering the phenomenon of counterfeiting in the strict sense, it is useful to mention another point of view: considering the phenomenon by highlighting the different types of offences referred to by the term "counterfeiting": such as imitations of patent rights, unfair competition or pure breach of contract.

As Cavalieri points out ¹⁶⁴, these are cases in which

[...] “the Chinese contractor uses the technology or design purchased as part of a contract (technology transfer, third party processing, or joint venture) for purposes other than those agreed. [...] In addition to cases of counterfeiting in the strict sense, there is an endless variety of relationships, especially contractual relationships [...] which often result in cases of infringement or alleged infringement of intellectual property.” [...]

One of these cases is the so-called *thrift-shift* counterfeiting: in this case, a genuine company stipulates, for a certain period of time, a production contract with a specific manufacturer, which will have to sustain investments to acquire plant and machinery to begin the contracting activity. Once the aforementioned contract has expired, the manufacturer would be obliged to liquidate these fixed assets, no longer being able to make the prototypes or use the industrial designs of the brand owner outside the contract. It has often happened, however, that the manufacturer still produced goods with the machinery he legally used during the contract with the company.

This phenomenon has been recognized and widely documented for the *New Balance* case: the consumer could not have distinguished the real products from the fake versions, except for the sales channel through which they were sold.

The only instrument to adequately protect oneself in these cases is without a doubt a contract with the Chinese side, well formulated and which foresees mandatory administrative obligations.

AVOIDING COUNTERFEITING: TOOLS OF PROTECTION

As written on the official website of Ufficio Brevetti, the registration can be considered only as the first step in the process of protecting a trademark.

¹⁶⁴ Renzo CAVALIERI, Commercio, investimenti e trasferimenti di tecnologia in Cina, in (a cura di) TIMOTEO M., *Regimi e tutela della Proprietà intellettuale in Cina*, collana Marco Polo 750 anni, Roma, Tiellemmedia Editore, 2008, p. 179.

Given the damage caused by counterfeiting, companies that make quality, creativity and innovation their weapons, should adopt a business strategy aimed to protect intellectual property with a focus to prevention, also in order to expand and strengthen protection jurisdiction, which should remain the extreme ratio.¹⁶⁵

As written on the website of the UIBM¹⁶⁶

[...] “The main elements of the strategy should include:

- maximise the knowledge of national and international intellectual property rights
- define the intangible assets of the company in the reference market in relation to the portfolio of intellectual property securities held
- analyse the specific risks of infringement of intellectual property rights and unfair competition in the reference market and in potential ones with respect to the different phases of the business (design, production, distribution and sales) especially in cases of possible delocalisation of production or internalisation of the company, taking into consideration the potential risks deriving from the publication of contents on the internet
- assess the need to integrate the portfolio of IP securities under any complementary profiles not previously considered through the use of additional intellectual property rights, and their extension into potential markets
- evaluate the opportunity to activate deterrent measures (anti-counterfeiting methods) or preventive safeguards (for example customs protection within the EU)
- constantly monitor the reputation of its intangible assets in the reference market
- activate judicial protections when necessary.” [...] ¹⁶⁷

Companies whose industrial property rights are damaged by counterfeiting practices carried out by other parties may resort to different protection tools.

The violation of intellectual property rights takes place in the hypothesis in which a third party misuses the intellectual work of others.

¹⁶⁵ For further informations check the official website of UIBM at the link: <http://www.uibm.gov.it/index.php/lotta-alla-contraffazione/assistenza-alle-imprese/contrasto-all-italian-sounding-3>

¹⁶⁶ *ibidem*.

¹⁶⁷ For further informations check the official website of UIBM at the link: <http://www.uibm.gov.it/index.php/lotta-alla-contraffazione/assistenza-alle-imprese/contrasto-all-italian-sounding-3>

The owner who complains about the violation has the right to resolve the dispute out of court, through a private settlement attempt. ¹⁶⁸

As far as China and Italy are concerned, it is good to know that in both cases, before initiating legal actions, it is advisable to prefer a first resolution of the dispute through extra-judicial means: this is because there is a reduction in both timing and costs. In the event that an agreement between the two parties is not reached, the legal actions envisaged by the legislation can be started (although, in general, it is always preferable to succeed in reaching an agreement to avoid the delays resulting from the complexity of legal actions). ¹⁶⁹

Although there are still some critical aspects, the protection of trademarks through the Chinese jurisdictional system has clearly improved, particularly in major cities like Beijing, Shanghai, Canton and Shenzhen, and is relatively quite inexpensive compared to the legal fees of other jurisdictions.

In the event of a negative outcome or refusal of the counterparty, the Chinese legal system mainly offers double protection (the so called *dual-track system*), including both the administrative and judicial instruments.

This is aimed to reinstate the owner of the exclusivity in his power of economic disposition of the asset, also guaranteeing the possibility of using the route penalty and customs to obtain the protection of injured legal situations. ¹⁷⁰

These ways can also be combined together to achieve a positive result. ¹⁷¹

Once a trademark has been registered in China, it is possible to access administrative and judicial protection. It should be noted that the Chinese trademark protection system applies exclusively to

¹⁶⁸ Renzo CAVALIERI, *Lecture di diritto cinese*, Cafoscarina, Venezia, pag. 76

¹⁶⁹ For further information: <https://www.tutelamarchio.com/difesa-marchio/>

¹⁷⁰ *ibidem*.

¹⁷¹ For further information: http://fashionvalley-industry.com/uploads/kcFinder/files/IT_Trade%20marks_online.pdf

registered trademarks, since Chinese law does not recognise the institution of the "de facto trademark".

The unregistered trademark can be protected only if it can be demonstrated that it is a well-known trademark: a difficult task, because an extremely high level of notoriety is required (Ferrari, Disney, Ikea, McDonald's: those are names of few brands classified as known-trademark).¹⁷²

Administrative protection and custom protection

As for Italy, administrative protection requires contacts with the Italian Patent & Trademark Office to make an administrative opposition for the registration of a trademark.

For this opposition it is necessary to rely on the figure of a lawyer who manages the practices: this is because the timing is normally very restricted. *It is, in fact, necessary that the opposition is presented within three months of the publication of the application of the other trademark.*¹⁷³

In Italy, once these three months have passed, it is still possible to make this opposition request, by contacting the Tribunale delle Imprese, proposing a "cause of nullity".¹⁷⁴

The Tribunale delle Imprese also appears to be the same body to which one turns when one decides to resort to judicial proceedings as a means of protection.¹⁷⁵

As for China, the Administrative protection can be requested from the State Agency for Industry and Commerce (SAIC).¹⁷⁶

¹⁷² For further information: <http://www.marchiodimpresa.it/faqs/tutela-amministrativa-e-giudiziaria/>

¹⁷³ For further information: <https://www.tutelamarchio.com/difesa-marchio/>

¹⁷⁴ *ibidem.*

¹⁷⁵ *ibidem.*

¹⁷⁶ For further information related to the SAIC, check the link: http://www.newsmercati.com/Article/Archive/index_html?idn=15&ida=892&idi=-1&idu=-1

In this case, the party claiming the infringement of its trademark can take action with administration in order to obtain the cessation of the use of the counterfeit trademark, the destruction of the goods bearing the counterfeit trademark and the imposition of a pecuniary sanction.

As long as the administrative authority is concerned, the administrative protection corresponds to the AICs (Administrations for Industry and Commerce), which can be considered as local branches at different levels of the SAIC.

The offices in charge of managing disputes relating to trademarks are the Office of Trademarks and the TRAB, the office of the Commission for the review and award of trademarks: the TRAB operates as a second-level body and can reject the applications for registration or to rule on any opposition.

The procedure, which includes a preliminary phase for the collection of documents and a possible hearing of the parties, is much faster than the judicial one (on average it lasts from 3 to 6 months) and is also less expensive: it can be useful to nip a counterfeit episode in the bud.

When one of the two parties is dissatisfied with the measures taken by the AIC, he can appeal to the Popular Court within fifteen days from the communication.

The choice to apply to an administrative rather than a judicial court must be weighed in depth: if on one hand the administrative route turns out to be more advantageous in terms of time and costs, on the other hand, however, it does not have the power to guarantee a forced execution of the measures: as a result, recourse to the court becomes mandatory.¹⁷⁷

A type of administrative protection widely used in an international trade context is certainly *customs protection*.

¹⁷⁷ Angela CARPI *Il nuovo regolamento riguardante...*, in TIMOTEO, Marina (a cura di), *Regimi e tutela della proprietà intellettuale in Cina*, Collana “Marco Polo” 750 anni, Roma, Tiellemmedia Editore, 2008.

Customs protection is a tool of protection to which the proprietor of a trademark can have recourse by requesting the intervention of his country's customs authority.¹⁷⁸

The presentation of the request must be made to the customs authority of each state in which the intervention is requested.

The request must present all the information that helps to distinguish the counterfeit goods from the original ones (technical descriptions, addresses and names of the appointed owners, authorized distributors, country of origin, hypothetical recipients).¹⁷⁹

The intervention of the customs authority determines a block of the goods for a duration of ten days: within ten working days from the beginning of the suspension (three working days in the case of perishable goods) the right holder must initiate a legal proceeding to obtain confirmation by a court of seizure of counterfeit goods.

As long as custom protection is concerned, once you have registered your trademark in China, it is advisable to register it with the General Administration of Chinese Customs (GACC), which will include it in your database against payment of a small fee. Registering with Chinese customs allows the trademark holder to request monitoring of the goods and the blocking of suspicious goods.¹⁸⁰

The General Administration of Customs will issue a registration certificate which will be valid for ten years, renewable for another ten.¹⁸¹

According to the Customs Act, which came into force on July 1, 1987, the customs authority has the power to impose sanctions, and in the event of an integral crime violation, the alleged infringer can be investigated for criminal responsibility.¹⁸²

¹⁷⁸ For further information: <http://www.sib.it/difesa-dei-diritti/approfondimenti-difesa-dei-diritti/azione-doganale/>

¹⁷⁹ For further information: <http://www.sib.it/difesa-dei-diritti/approfondimenti-difesa-dei-diritti/azione-doganale/>

¹⁸⁰ For further informations, check the link: http://www.newsmercati.com/Article/Archive/index_html?idn=15&ida=892&idi=-1&idu=-1

¹⁸¹ Angela CARPI, *Il nuovo regolamento riguardante la protezione intellettuale della Repubblica Popolare cinese*, in TIMOTEO, *Regimi e tutela...*, pag. 269.

¹⁸² *ibidem*.

As written in the official website of China IPR helpdesk,

[...] "The Customs Law of the Peoples Republic of China prohibits the export or import of goods from or to China that infringe IP Rights. Whereas most countries' customs only examine imported goods, China differs in that its customs examine goods being imported and exported. China Customs have the authority to protect IP Rights by confiscating infringing goods and imposing fines on infringers. If the infringement of IP Rights exceeds a certain threshold, then the customs authorities will also arrange for criminal proceedings to be brought against the infringing party." ¹⁸³

In the event of the blocking of goods suspected of being counterfeit, the customs administration contacts the owner of the mark and asks him to check the lawfulness of the shipment, paying any bail which will be devolved to the suspect as compensation for the damage suffered as a result of the blocking of goods at customs.

In the event that it is found that the goods are actually counterfeited, the owner of the registered trademark can obtain the destruction of the goods, the imposition of penalties on the counterfeiter and useful information on the shipment and on the type of counterfeiting in place. ¹⁸⁴

Judicial protection

With regard to judicial protection, the jurisdiction takes in exam cases concerning intellectual property where courts work collaboratively with specialised sections, which are based in some districts. Through judicial protection it is possible to obtain, as a precautionary measure, the suspension of the activity until the judge's decision and the seizure of the goods deemed counterfeit, subject to the payment of a security with a guarantee function. ¹⁸⁵

The judicial protection is much more suitable than the administrative one for complex cases and/or in which the existence of the violation is not obvious. The judge can grant precautionary protection,

¹⁸³ For further informations, check the official website of China IPR Desk at the link: <http://www.china-iprhelpdesk.eu/sites/all/docs/publications/Customs.pdf>

¹⁸⁴ For further informations: <http://www.marchiodimpresa.it/faqs/tutela-doganale/>

¹⁸⁵ *ibidem*.

which means that it is possible to grant temporary forms of protection already at the time of establishing the process; the judge may also order the person responsible of infringement to compensate a sum for damages.

Generally the penalties that can be imposed by the judge are heavier than administrative ones and therefore have a greater deterrent effect.¹⁸⁶

On the other hand, the judicial action is considered more expensive than the administrative one in terms of time and money, and standards are rather rigid and often represent a considerable obstacle to the satisfaction of one's claims.

In most cases, the foreign company, in front of a violation of its intellectual property rights, is free to choose between administrative and judicial action.¹⁸⁷

Among the main factors that have to be taken into analysis, there are:

- The type of infringement to be challenged;
- The degree of certainty of the existence of the violation;
- The available evidence;
- The identity and entity of the person who is held responsible;
- The type of sanction to be obtained.

In any case, the complaint to competent administration does not prevent a lawsuit from starting later; furthermore, the decision of the administrative authority can always be challenged before the judge.

This is followed by the establishment of a judgment of merit, which may last a few years and which, unlike the administrative procedure, may allow a procedure aimed to obtain compensation for damages suffered.

¹⁸⁶ For further information, check the article written by Giovanni Pisacane, lawyer and founder of GWA: <http://www.gwa-asia.com/admin/upload/Guida%20introduttiva-La%20protezione%20della%20propriet%C3%A0%20intellettuale%20in%20Cina-il%20sette%20del%20mobile.pdf>

¹⁸⁷ *ibidem*.

As written by Giovanni Pisacane,

[...] Regardless of the route chosen, the place where you act has great importance. The judges and administrations of the cities that are economically more active and more open to contact with foreign countries, have more experience in intellectual property matters and are more aware of the needs of commercial actors (impartiality and stability of decisions). On the contrary, judges and administrations of rural areas and/or more isolated from contact with foreign trade, as well as having less awareness of intellectual property, often tend to take sides with local governments and protect the interests of businesses in the area. Despite the undoubted improvement that Chinese judicial practice has seen in recent decades, it is still advisable to avoid disputes outside the large cities. [...] ¹⁸⁸

However, it is necessary to highlight how the prosecution of the most serious violations of industrial property through criminal proceedings represents a particularly significant remedy in the fight against counterfeiting in China: as in fact written by Dimitrov in his book *Piracy and the State: the politics of Intellectual Property Rights in China*

[...] First, the provision of a conduct as a crime has a greater deterrent effect than other forms of protection available; moreover, the severe financial penalties discourage the guilty person from the commission of new crimes of counterfeiting, an objective, as we shall see, not reachable only with compensation for patrimonial damage obtained in civil proceedings. ¹⁸⁹

Counterfeiting has always been a well-established phenomenon in our societies.

History teaches us that since the dawn of Chinese civilization, archaeological finds have been found bearing engravings with names of the artisans to whom the works were attributed: this was due both to verify the origin and authenticity of a given product, but also to the so-called *sincerity*, a central role in Chinese culture. ¹⁹⁰

¹⁸⁸ For further information, check the article written by Giovanni Pisacane, lawyer and founder of GWA: <http://www.gwa-asia.com/admin/upload/Guida%20introduttiva-La%20protezione%20della%20propriet%C3%A0%20intellettuale%20in%20Cina-il%20settore%20del%20mobile.pdf>

¹⁸⁹ Martin DIMITROV, *Piracy and the state: the politics of intellectual property rights in China*, Cambridge University Press, 2009, pag. 146

¹⁹⁰ Roger GREATREX, *The authentic, the copy and the counterfeit in China*, in TIMOTEO, *Regimi e tutela...*, pag. 116

Why then do Chinese people today win the primacy of the world's leading counterfeiters?

The question surely has its roots in economic motivations, linked to a desire for wealth: the trademarks are in fact considered to be very important indicators of the economy, and consequently the more marks there are, the more the economy is prosperous.

In practical terms, trademarks constitute the progress, power and international image of a country. Exploiting, consequently, the marks of others, especially the most famous ones, has therefore become a widespread and common trend.¹⁹¹

However, things are going through a phase of considerable change: we have come to the realization that the progress of the economy also consists in an effective protection of intellectual property.

Through the judicial system, the parties can apply to competent Courts: the structure of the judicial bodies is normally a hierarchical pyramid structure, at whose base there are lower and intermediate Courts, while at the apex there are the Supreme Courts.

Intermediate courts are placed at local level, while the Supreme Court is normally unique for the whole national territory: it is the judge of last resort, in the sense that no remembrance is given to other judges against its decisions. Normally, the judgements submitted to the Supreme Courts have previously been challenged by a lower judge.¹⁹²

This is exactly what happened in the judgement we are going to analyze in the last part of this third chapter.

The term 司法机关 indicates the Chinese judicial institutions in the broad sense, including the Courts, the Public Prosecutors and the public security organs.

The People's Court represents the judging magistracy of the People Republic of China and is organised according to a pyramid scheme on four levels: the Supreme People's Court 最高人民法院 represents the top jurisprudential body, to which the High Courts are subordinate 高级人民法院.

¹⁹¹ Yu SHICUN, *Perché i marchi gialli non sono globali*, in *Limes* (Il marchio giallo), 2008, pag. 57

¹⁹² For further information: <https://www.ambientediritto.it/home/giurisprudenza/corte-di-giustizia-ue-sez>

Then we have the Intermediate Courts 中级人民法院 and at the bottom of the pyramid the basic Courts 人民法院.

In general, each Court is divided into sections for the examination of civil, criminal and economic disputes, but, according to the need for the administration of justice, additional specialised sections may be established.

The judicial action is usually established in the first instance, in cases involving foreign subjects, at the territorially competent Intermediate Court of the People.

Intermediate Courts are established at the prefecture level: they are therefore rather "local" and close to the place of the dispute. ¹⁹³

An appeal level is envisaged, which, for the causes initiated at an Intermediate Court, is devolved to the High Court of the People. There are a total of thirty one high Courts throughout the country and are established in the provincial capital. ¹⁹⁴

The Supreme People's Court, based in Beijing, has three main functions:

1. Check the activity of the lower courts;
2. Assumes the function of civil, criminal and administrative court of second instance, deciding in the last instance the most important causes.
3. Furthermore, produces some important normative acts (of legislative interpretations, 立法解释, called opinions 意见 and regulations 条例, 规定, 规则: therefore, de facto, it has the role of interpreting and applying the law. ¹⁹⁵

In our system, the Corte di Cassazione, also known as the "Supreme Court", represents the last degree of jurisdiction that can be passed, acting as a judge of legitimacy.

¹⁹³ For further information, check the article written by Giovanni Pisacane, lawyer and founder of GWA (Greatway Advisory) at the link: <http://www.gwa-asia.com/admin/upload/Guida%20introduttiva-La%20protezione%20della%20proprietà%20intellettuale%20in%20Cina-il%20%20settore%20del%20mobile.pdf>

¹⁹⁴ *ibidem*

¹⁹⁵ Renzo CAVALIERI, *Lecture di diritto cinese*, Libreria Editrice Cafoscarina, Venezia, 2009, p. 38

The Corte di Cassazione has multiple functions. Surely one of the main ones, as the Supreme People's Court, is being a judge of the last-level appeal, it means that it has the last word, which is the definitive one, on the legitimacy or otherwise of a judgement pronounced at first instance or on appeal, both civil and criminal judgements.¹⁹⁶

Each appeal is sorted in the appropriate section, which decides on the rejection or acceptance of the application.

At this point, the judges of the Court can take two decisions: the first one is called the *cassation with postponement*, that happens when the Court refers the case to another lower judge with the order to issue a new judgement; the second one is the *cassation without referral*, when the decision is taken directly by the judges of the Court, without further investigations being necessary.

The sentence of the Court of Cassation is final, meaning that after it the applicant has exhausted all the possibilities to appeal.

COUNTERFEITING IN LUXURY INDUSTRY

One of the biggest economic consequences of counterfeiting is the impoverishment of the offer of intellectual products.¹⁹⁷

The counterfeiting in the luxury fashion industry, in particular, is dizzyingly expanding all over the world, and the sale of perfect copies of the major brands' products at prices much lower than the original is a trend to which we are unfortunately already accustomed.

This is the value of counterfeit goods, which represent around 2.5% of world trade.¹⁹⁸

¹⁹⁶ For further information: https://www.laleggepertutti.it/126531_ricorso-in-cassazione-funzioni-e-limiti

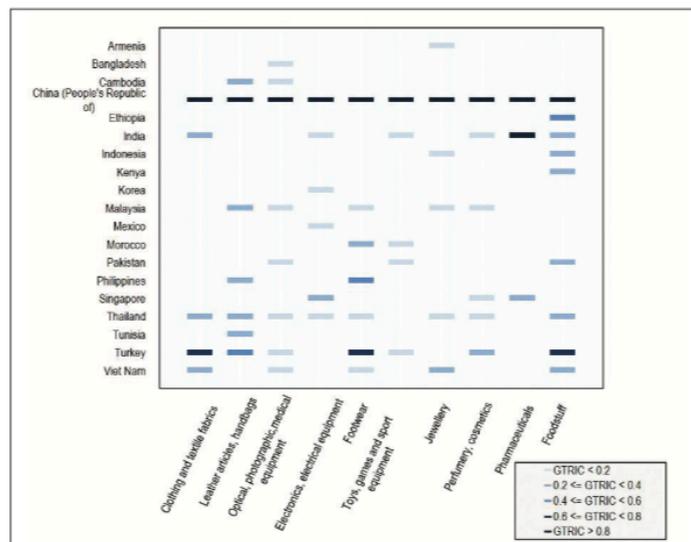
¹⁹⁷ Maria Ludovica AGRÒ, *La prospettiva istituzionale in tema di contraffazione*, in (a cura di) Marina TIMOTEO, *Regimi e tutela della Proprietà intellettuale in Cina, collana Marco Polo 750 anni*, Roma, Tiellemmedia Editore, 2008, p. 43.

¹⁹⁸ Gianluca PULIERI, Senior partner of Jacobacci & Partners, European Patent Attorney, on the online PDF "Contraffazione, un mercato da 461 miliardi".

The import of these products covers 5% of all European Union imports, worth up to 116 billion dollars. China is the leading producer, followed by other Asian countries.



Identified the ten main categories of counterfeit goods ¹⁹⁹ (food, pharmaceuticals, perfumery and cosmetics, leather goods and luggage, clothing and fabrics, footwear, jewelry, electronic and electrical equipment, optical, photographic and medical devices, toys, games and sports equipment), which make up more than half of the total trade in counterfeit products in the world, the most recent analysis show that China is the first producer of counterfeit goods in nine out of ten of the



¹⁹⁹ Gianluca PULIERI, Senior partner of Jacobacci & Partners, European Patent Attorney, on the online PDF “Contraffazione, un mercato da 461 miliardi”.

categories examined (figure 2, in which the darker sections indicate a greater probability that an economy is a producer of counterfeit goods in a given category).²⁰⁰

Moreover, several Asian economies, including India, Thailand, Turkey, Malaysia, Pakistan and Vietnam, are at the origin of important productions in many sectors, although their role is much less significant than the one of China. Turkey is an important producer in certain sectors, such as leather goods, food and cosmetics, whose products are transported by road in the European Union.²⁰¹

Counterfeiting of goods is a phenomenon that particularly affects luxury fashion; it is especially the footwear, leather goods, jewelry, goldsmith, textile and clothing sectors that are most affected.²⁰²

It is believed that counterfeit fashion products cost European brands annually 9.7% of their total sales. This percentage has certainly been increased by the arrival of the internet and e-commerce, due to the anonymity that these tools offer to scammers.²⁰³

The phenomenon of counterfeiting, however, is as old as haute couture. Since the early 1900s, counterfeiters copied the fashion sketches they saw in the Paris fashion shows and sold these reproductions in France and abroad. In 1914 more than two million fake labels of haute couture houses had been sewn in imitation garments.²⁰⁴

Attention is drawn to the fact that these data, although coming from official sources, are nothing but estimates.

In fact, counterfeiting is an illicit activity and therefore we talk about the underground economy which, as the name suggests, is difficult to measure.

²⁰⁰ Gianluca PULIERI, Senior partner of Jacobacci & Partners, European Patent Attorney, on the online PDF “Contraffazione, un mercato da 461 miliardi”.

²⁰¹ *ibidem*.

²⁰² *ibidem*.

²⁰³ For further information: <https://www.dotnice.it/contraffazione-sul-settore-della-moda/>

²⁰⁴ *ibidem*.

As stated by Dr. Gordon C.K. Cheung in his book *Intellectual Property Rights in China, Politics of Piracy, Trade and Protection*,²⁰⁵

[...] “A trigger for counterfeiting and its development is undoubtedly globalization which facilitates communications, transport and international activities. The luxury fashion companies, just to expand their commercial network all over the world, have intertwined production agreements on license, finding more and more economic solutions to produce their products at much lower costs: this is the case, for example, delocalization of the production process in eastern countries, particularly in China, where there are critical areas in the major metropolitan areas: Beijing, Shanghai, the provinces of Guangdong, Zhejiang and Fujian. With this operation, however, not only is the final quality of the product or the quality control activities of the production phases affected, but, implying a more dense distribution network, it also implies an increase in the subjects that come into direct contact with the products and therefore facilitates the possibility of counterfeiting.”

But what has the fashion industry that makes it so appealing to counterfeiters? First of all, the fact that the fashion sector is dictated by constantly changing trends. Something that is in fashion today may be obsolete tomorrow.

As a result, fashion brands must continually reinvent themselves, with the release of new products that allow them to stay on top.²⁰⁶

If we add to this the fact that we live in a society based on image, obsessed by trends, but also by savings, we find fertile ground for counterfeiting.

For some, the fact that your designs are imitated or are considered as a source of inspiration for other brands is seen as the ultimate sign of flattery, a way of determining the success of a fashion brand. In fact, there are also studies that claim that counterfeits can actually be beneficial to the fashion industry, forcing producers to improve their products in order to differentiate imitators.²⁰⁷

²⁰⁵ Gordon C.K. Cheung, *Intellectual Property Rights in China, Politics of Piracy, Trade and Protection*, New York, Routledge Contemporary China Series, 2009, p. 99

²⁰⁶ For further information: <https://www.dotnice.it/contraffazione-sul-settore-della-moda/>

²⁰⁷ *ibidem*.

Luxury brands have developed ways, often using the judicial system, to defend themselves against the development and retail sale of counterfeit products.

However, e-commerce has opened the door to many new channels for the distribution and sale of counterfeit products, making it easier for consumers to access these products. *Mirror sites* could be the most imminent danger for original brands, because they mainly attract "unaware consumers", who buy counterfeit goods thinking of buying original products and, therefore, expect the brand promise.²⁰⁸

This can damage the brand's reputation and decrease the number of loyal consumers.

CASE STUDY: ERMENEGILDO ZEGNA VS YVES ZEGNOA

Ermenegildo Zegna: brand history

Ermenegildo Zegna is considered as the world leader in luxury men's clothing: the Zegna Group was founded in the province of Biella in 1910 by Ermenegildo Zegna. The goal of this young entrepreneur was to create a brand that could have identified the excellent quality of men's clothing: his strategy and his attention was in fact focused on selecting the best raw materials, on innovating the product and on promoting the brand in a targeted manner.²⁰⁹

The development of production prompted the Group to seek direct outlets on foreign markets, with the opening of commercial branches in Austria, France, Germany, Great Britain, Spain, Turkey, USA, Mexico, Japan, China, Korea, Hong Kong, Singapore, Taiwan and Australia, and the establishment of production units in Spain and Switzerland. The Group's verticalization was completed in the 1980s with the opening of the first single-brand boutiques in Paris (1980) and in Milan (1985).

²⁰⁸ For further information: <https://www.dotnice.it/contraffazione-sul-settore-della-moda/>

²⁰⁹ For further information related to Consitex SA Company: http://www.noidistabio.ch/stabio/argo/e.economia_servizi/fabbriche/consitex/consitex.html

Currently, China represents the main market for the Zegna Group (followed by the United States, Italy and Japan), and it has acquired a great reputation already since 1991, the year in which the Zegna Group opened the first store in Beijing, becoming the first luxury brand to physically enter the communist nation.

However, the presence of Ermenegildo Zegna in China has never been all rosy, and over the last twenty years the Group has also encountered numerous difficulties in stemming dynamics strictly related to counterfeiting and the market for counterfeit products.

The final part of this last chapter is entirely dedicated to the translation and analysis of a judgment issued by the Supreme Chinese People's Court in favor of a well-known Italian brand in the luxury clothing sector, Ermenegildo Zegna.

Through this judgment, Zegna won against the infringement of Intellectual Property Rights, and this is considered one of the most important judgements in history, because for the first time the highest Chinese judicial body, the Supreme People's Court, has ruled in favor of a foreign company, putting an end to the dispute that saw the well-known Italian brand opposing to a local operator for more than five years.

To the local operator in question, who sold clothing and accessories marked with the "Yves Zegnoa" trademark, it has been recognised that the imitation of the logo fully represents an infringement of Zegna's Intellectual Property Rights.

The decision in favor of Ermenegildo Zegna therefore overturned the opposing judgments of the lower grades of the juridical Chinese system, which had previously held that the two trademark were not characterised by significant similarities.

As stated by Gildo Zegna, CEO of Zegna

"This judgement is particularly important, not only because it protects our rights in the field of intellectual property in China but also because it represents the confirmation of the positive evolution of Chinese jurisprudence to protect competition".²¹⁰

The dispute lasted about five years and involved the local operator **Liu Sanwen**, a Chinese national, and the **Consitex SA Company**, established in May 1976 in Switzerland with the aim of producing and marketing textile products and clothing. Owner of the Consitex SA company is the Ermenegildo Zegna Group, already operating in Italy in the same sector.²¹¹

²¹⁰ For further informations: <https://www.milanofinanza.it/news/zegna-vince-in-cina-contro-la-violazione-della-proprieta-intellettuale-201810241032364671>

²¹¹ For further information related to Consitex SA Company: http://www.noidistabio.ch/stabio/argo/e.economia_servizi/fabbriche/consitex/consitex.html

Chinese text

中华人民共和国最高人民法院

行政判决书

(2018)最高法行再41号

再审申请人(一审原告、二审上诉人):康恩泰有限公司。住所地:瑞士世达比奥6855利奥南特路**号。

法定代表人:罗伯特·皮佐, 该公司特命代表。

委托诉讼代理人:王振坤, 北京费岚清律师事务所律师。

委托诉讼代理人:陈茜, 北京费岚清律师事务所律师。

被申请人(一审被告、二审被上诉人):国家工商行政管理总局商标评审委员会。住所地: 中华人民共和国北京市西城区茶马南街*号。

法定代表人:赵刚, 该委员会主任。

委托诉讼代理人:牛敏, 该委员会审查员。

一审第三人:刘三文, 男, 1970年8月18日出生, 汉族, 住中华人民共和国新疆维吾尔自治区乌鲁木齐市水磨沟区。

再审申请人康恩泰有限公司(以下简称康恩泰公司)因与被申请人国家工商行政管理总局商标评审委员会(以下简称商标评审委员会)、一审第三人刘三文商标权无效宣告请求行政纠纷一案, 不服北京市高级人民法院(2016)京行终2622号行政判决, 向本院申请再审。本院于2017年9月20日作出(2017)最高法行申3260号行政裁定, 提审本案。本院依法组成合议庭于2018年5月31日公开开庭进行了审理, 康恩泰公司的委托诉讼代理人王振坤、陈茜, 商标评审委员会的委托诉讼代理人牛敏到庭参加诉讼, 刘三文经本院合法传唤未到庭参加诉讼, 本院依法缺席审理本案。本案现已审理终结。

商标评审委员会于2014年11月21日作出商评字[2014]第82142号《关于第1513622号“YvesZegna”商标无效宣告请求裁定书》(以下简称被诉裁定)。被诉裁定认定:诉争商标即第1513622号“YvesZegna”与引证商标在整体的字母构成、读音及外观方面存在一定的区别, 即使它们并存使用在服装等类似商品上, 相关公众施以一般注意力可以区分, 不致混淆。故诉争商标与引证商标未构成2001年修正的《中华人民共和国商标法》(以下简称2001年商标法)第二十八条所指使用在同一种或类似商品上的近似商标。康恩泰公司提交的证据不足以证明在诉争商标申请日前引证商标已构成驰名商标, 且如上所述, 诉争商标与引证商标在整体上存在差异, 未构成

对康恩泰公司商标的复制、摹仿。诉争商标的注册使用不易误导公众，致使康恩泰公司利益可能受到损害。因此，诉争商标的申请注册并未构成2001年商标法第十三条所指之情形。诉争商标不存在2001年商标法第十条第一款第(八)项所指的具有不良影响和第四十一条第一款之情形。诉争商标未违反2001年商标法第三十一条之规定。康恩泰公司还称刘三文在使用诉争商标时自行改变诉争商标，属于不正当使用注册商标行为，依据2001年商标法第四十四条应予撤销。但该法条是对商标实际使用的规范，不属于商标评审委员会审理范畴，不予评述。商标评审委员会裁定：诉争商标予以维持。

康恩泰公司不服被诉裁定，向北京知识产权法院(以下简称一审法院)提起行政诉讼称，诉争商标与引证商标构成使用在同一种或类似商品上的近似商标；诉争商标是对康恩泰公司驰名商标的恶意复制和模仿；刘三文在实际使用诉争商标时故意改变诉争商标，向康恩泰公司的商标贴靠。诉争商标的注册和使用已经违反2001年商标法第十条第一款第(八)项、第十三条、第二十八条、第四十一条及第四十四条的规定。请求法院依法撤销被诉裁定。

商标评审委员会一审辩称：被诉裁定应予维持，请求驳回康恩泰公司的诉讼请求。

刘三文发表陈述意见称：被诉裁定应予维持，请求驳回康恩泰公司的诉讼请求。

一审法院经审理查明：诉争商标即第1513622号“YvesZegna”商标(详见附图)的申请日为1999年11月22日，核定使用在国际分类第25类的“服装；鞋；帽；袜；领带；皮带(服饰用)”等商品，专用期限经续展至2021年1月27日，目前权利人为刘三文。

第222388号“ErmenegildoZegna及图”商标(以下简称引证商标一，详见附图)的申请日为1984年5月26日，核定使用在国际分类第25类的“服装；帽子；鞋”等商品，专用期限经续展至2015年3月14日，目前权利人为康恩泰公司。

第969347号“ZEGNA”商标(以下简称引证商标二，详见附图)的申请日为1995年7月31日，核定使用在国际分类第25类的“服装；鞋；帽”等商品，专用期限经续展至2017年3月27日，目前权利人为康恩泰公司。

2013年8月26日，康恩泰公司向商标评审委员会提出无效宣告请求，认为诉争商标违反2001年商标法第十条第一款第(八)项、第十三条、第二十八条、第二十九条、第三十一条、第四十一条及第四十四条的规定，请求撤销诉争商标。康恩泰公司同时提交以下证据材料：1.康恩泰公司部分商标的注册信息；2.类似案件中被判定为近似商标的商标信息；3.百度百科等媒体对康恩泰公司介绍及知名度证据材料；4.相关案例的裁定、法院判决及康恩泰公司维权资料；5.“杰尼亚”品牌的财政数字及基本介绍；6.引证商标一、二的宣传使用及知名度证据；7.搜索引擎关于“杰尼亚”“ErmenegildoZegna”“Zegna”的搜索结果；8.国家图书馆关于“杰尼亚”“ErmenegildoZegna”“Zegna”的媒体报道检索结果；9.诉争商标的实际使用情况及公证书；10.其他相关证据。

一审庭审中，刘三文明确表示对诉争商标核定使用的商品与引证商标一、二核定使用的商品 构成同一种或者类似商品不持异议。

一审法院认为:本案应适用2001年商标法对实体问题进行审理。 诉争商标“YvesZegna”与引证商标“ErmenegildoZegna及图”“ZEGNA”在文字构成、呼叫及含 义方面有一定区别，即使共同使用在“服装”类似商品上，亦不致引起相关公众混淆误认，未 构成使用在同一种或者类似商品上的近似商标。

本案中，在案证据虽显示在诉争商标申请日前引证商标一、二已在中国大陆地区使用并具有一 定的知名度，但不足以证明其已构成驰名商标。此外，诉争商标与引证商标一、二在整体上存在差异，未构成对康恩泰公司 商标的复制、摹仿。故康恩泰公司的该项主张缺乏依据， 不予支持。诉争商标不存在2001年商标法第十条第 一款第(八)项、第四十一条第一款、第 二款的情形。此外，康恩泰公司所称刘三文在使用诉争商标时自行改变 诉争商标，属于不正 当使用注册商标行为，不是本案审理范围。

综上，一审法院依照《中华人民共和国行政诉讼法》第六十九条之规定，于2015年11月19日 作出(2015)京知行 初字第1586号行政判决:驳回原告康恩泰有限公司的诉讼请求。 康恩泰公司不服一审判决，向北京市高级人民 法院(以下简称二审法院)提出上诉称:1.诉 争商标与引证商标一、二构成使用在类似商品上的近似商标，违反 2001年商标法第二十八条 的规定。2.康恩泰公司的引证商标“ZEGNA”在服装商品上构成驰名商标，引证商标 的知名度 在本案中应当被充分考量。3.刘三文是服装经营者，所处广东省也是康恩泰公司宣传经营所 覆盖的 范围，受让诉争商标前应当知晓诉争商标。刘三文在实际商业使用中突出使用与康恩 泰公司驰名商标 “ZEGNA”近似的“Zegna”部分，攀附康恩泰公司驰名商标的恶意明显。且诉争商标的原申请人温州市意柏朗服 饰有限公司是一家主营服装的企业，在申请注册诉争商 标之前应知晓康恩泰公司知名的“Zegna”品牌，诉争商 标申请注册行为本身也具有恶意。根据2001年商标法第四十一条第一款的规定，诉争商标应不予维持。4.诉争 商标予以维持将产 生不良影响。康恩泰公司请求撤销一审判决和被诉裁定，判令商标评审委员会重新作出裁 定。 商标评审委员会和刘三文服从一审判决。

二审法院经审理查明:一审法院查明事实属实，予以确认。另查明，诉争商标申请人为温州市意柏朗服饰有限 公司。刘三文于2011年6月21日受让取得诉争商标。

二审诉讼中，康恩泰公司明确不再主张2001年商标法第十三条，而是强调引证商标具有极高 的知名度，应当 予以充分考量。

二审法院认为:2001年商标法第二十八条规定，申请注册的商标，凡不符合本法有关规定或者同他人在同一种 商品或者类似商品上已经注册的或者初步审定的商标相同或者近似的，由 商标局驳回申请，不予公告。诉争 商标为文字商标，引证商标一为图文组合商标，引证商标 二为文字商标。诉争商标与引证商标一的文字部分 及引证商标二相比，在读音及整体外观上 有一定区别，即使考虑引证商标的知名度情况，上述商标共同使用

在服装、鞋、帽等同一一种 或者类似商品上，相关公众仍然可以将其区分。因此，诉争商标与引证商标一、二不构成使用在同一种或类似商品上的近似商标。

2001年商标法第四十一条第一款规定，已经注册的商标，以欺骗或者其他不正当手段取得注册的，由商标局撤销该注册商标;其他单位或者个人可以请求商标评审委员会裁定撤销该注册 商标。该条款中所指“其他不正当手段取得注册”，主要是指通过扰乱商标注册秩序、损害 公共利益、不正当占用公共资源或者以其他方式谋取不正当利益的手段取得注册之情形。康 恩泰公司所主张的诉争商标原申请人作为同业经营者应当知晓康恩泰公司的知名品牌以及刘 三文在实际使用中有涉嫌攀附引证商标之情形，均不属于2001年商标法第四十一条第一款规 制的“不正当手段”之情形。

2001年商标法第十条第一款第(八)项规定，有害于社会主义道德风尚或者有其他不良影响 的标志不得作为商标使用。审查判断有关标志是否构成具有其他不良影响的情形时，应当考 虑该标志或者其构成要素是否可能对我国政治、经济、文化、宗教、民族等社会公共利益和 公共秩序产生消极、负面影响。诉争商标标志不属于上述不良影响的情形。 综上，二审法院依据《中华人民共和国行政诉讼法》第八十九条第一款第(一)项之规 定，于2016年9月29日作出(2016)京行终2622号行政判决:驳回上诉，维持原判。

康恩泰公司申请再审称:(一)康恩泰公司的引证商标具有极强显著性与极高知名度，诉争 商标与引证商标整体视觉效果相近，构成近似商标，且刘三文在实际使用诉争商标时自行改 变诉争商标，从而摹仿引证商标，误导消费者。诉争商标违反2001年商标法第二十八条的规 定，应予宣告无效。(二)刘三文恶意取得、不正当使用 诉争商标违反诚实信用原则，造成 不良影响。诉争商标违反 2 0 0 1 年商标法第四十一条第一款和第十条第一款第(八)项的规 定，应予宣告无效。综上，康恩泰公司请求撤销一、二审判决以及被诉裁定，判令商标评审 委员会就诉争商标重新作出裁定。

商标评审委员会答辩称，被诉裁定认定事实清楚，程序合法，适用法律正确。请求驳回康恩 泰公司的再审申 请。

刘三文提交意见称:(一)诉争商标与两引证商标不构成类似商品上的近似商标。(二)第 三人是合法受让取得诉争 商标，不具有主观恶意，亦并非以不正当手段获得注册。诉争商标 未违反商标法的有关规定。

本院经审理查明:一、二审法院查明的事实属实。另查明: 根据康恩泰公司在评审程序中向商标评审委员会提交的证据，百度百科等媒体对康恩泰公司 的介绍等显示:“Zegna中文名杰尼亚，全名是ErmenegildoZegna.....，由 ErmenegildoZegna 创立，系世界闻名的意大利著名男装品牌，创始于1910年.....1991年在北京王府饭店开设了 其在中国的第一家专卖店，同时它也是进驻王府的第一家自己经营专卖店的外国品牌”;关 于“杰尼亚”、“ErmenegildoZegna”、“Zegna”的国家图书馆媒体报道检索结果显示:1994年 《中国市场》杂志刊登的《杰尼亚 的营销策略》一文中记载“能穿得起1.5万元一套的意大利 杰尼亚西装的中国人，实在不多。可杰尼亚服装在中国 市场却颇为畅销”;1995年《中国商 贸》杂志刊登的《北京95/96秋冬国际品牌秋冬时装展示会》一文中记载

“.....今秋9月在北京香格里拉饭店推出了95’96秋冬时装,参加.....展示的品牌.....包括杰尼亚、巴利.....”,并配有“ErmenegildoZegna”服装展示图片;1996年《中国商界》杂志刊登的《色彩缤纷的国际服装专卖店》一文中记载“杰尼亚(Zegna)男装最负盛名的品牌,以质地上乘而被视为成功男士信心标记.....;1999年第11期《中国企业家杂志》刊登的《陈逸飞:老板要有品味》一文中记载“.....这位大名鼎鼎的画家那规范的杰尼亚西装,稳重的步态.....”。康恩泰公司在评审程序中向商标评审委员会提交了(2013)粤广白云第17264号公证书、在再审程序中向本院提交了“YvesZegna伊夫·杰诺亚”服装店宣传照片,商标评审委员会认可上述证据的真实性,但认为不属于本案审理范围。根据上述证据,刘三文在其销售的男式衬衫等服装类产品及其吊牌、店铺工作人员的名片上对诉争商标“YvesZegna”中的“Zegna”部分予以突出或单独使用;或将中间的字母“O”省略掉,直接在服装上使用与引证商标二拼写完全相同的“ZEGNA”标识。诉争商标已经由刘三文转让给广州市豪文服饰有限公司,该公司营业执照上法定代表人显示为刘三文。本院认为,本案的主要争议焦点为,诉争商标与引证商标一、二是否构成类似商品上的近似商标,诉争商标是否违反2001年商标法第二十八条的规定。2001年商标法第二十八条规定,申请注册的商标,凡不符合本法有关规定或者同他人在同一种商品或者类似商品上已经注册的或者初步审定的商标相同或者近似的,由商标局驳回申请,不予公告。根据2001年商标法第四十一条第三款的规定,对已经注册的商标有争议的,可以自商标经核准注册之日起五年内向商标评审委员会申请裁定。本案中,引证商标一“ErmenegildoZegna及图”、引证商标二“ZEGNA”,本身并无固定含义,其中“Zegna”是“杰尼亚”品牌的创始人ErmenegildoZegna先生的姓氏,具有极强的固有显著性。诉争商标“YvesZegna”由“Yves”与“Zegna”组合而成,第三人将诉争商标标识中的后半部分“Zegna”进行突出使用的实际情况也反映出“Zegna”为诉争商标的显著识别部分。将诉争商标与引证商标进行比较,从显著识别部分来看,诉争商标中的“Zegna”与引证商标中的“ZEGNA”相比仅多一个字母“o”,二者高度近似;从整体视觉效果上看,诉争商标的后半部分与引证商标一的后半部分和引证商标二整体高度近似,作为外文姓名商标,会被误认为出自同一家族姓氏。

关于引证商标的知名度。根据康恩泰公司在商标评审阶段提交的证据和本院查明的事实,在诉争商标申请时,引证商标一、二经过康恩泰公司长期使用和宣传,已在中国取得了较高的知名度。

第三人未规范使用诉争商标,而是通过将诉争商标中的“Zegna”突出或单独使用,或省略掉“Zegna”中间的字母“o”,直接使用与引证商标二拼写完全相同的标识等方式,使之与引证商标一、二进一步接近,误导消费者的主观意图十分明显。关于商品的类似程度。本案中,诉争商标指定使用的商品是第25类的“服装;鞋;帽;袜;领带;皮带(服饰用)”等商品,引证商标一、二核定使用的商品是为第25类的“服装;鞋;帽”等商品,前者包含了后者的部分商品类别,前者中的其他商品与后者商品类似程度较高。

综合参考诉争商标与引证商标显著部分的近似程度、商品的类似程度、引证商标的知名度、相关公众的注意程度和诉争商标的使用情况和使用意图,诉争商标与引证商标构成近似商标,使用在类似商品上容易使相关公众产生误认,诉争商标的注册违反了2001年商标法第二十八条规定,不应予以核准注册。一、二审法院在

比较诉争商标与引证商标的近似程度时，仅考 虑到商标的整体区别，或者虽然考虑引证商标的知名度，但未参考其他相关因素，所作结论 本院予以纠正。

此外，诉争商标的申请注册并不属于2001年商标法第四十一条第一款规定的以“其他不正当 手段取得注册”之情形，也不存在违反2001年商标法第十条第一款第(八)项规定的情形， 康恩泰公司的相应申请再审理由不能成立。 综上所述，被诉裁定及一、二审判决认定事实及适用法律错误，应予纠正。依照《中华人民 共和国行政诉讼法》第八十九条第一款第(二)项、《最高人民法院关于适用<中华人民共 和国行政诉讼法>的解释》第一百 一十九条第一款、第一百二十二条规定，判决如下：

一、撤销北京市高级人民法院(2016)京行终2622号行政判决；

二、撤销北京知识产权法院(2015)京知行初字第1586号行政判决；

三、撤销国家工商行政管理总局商标评审委员会商评字[2014]第82142号《关于第1513622 号“YvesZegna”商标无效宣告请求裁定书》；

四、责令国家工商行政管理总局商标评审委员会就第1513622号商标无效宣告请求重新作出 裁定。

一审案件受理费一百元，二审案件受理费一百元，均由国家工商行政管理总局商标评审委员 会负担。

本判决为终审判决。审 判 长 夏君丽审 判 员 郎贵梅审 判 员 马秀荣

二〇一八年六月二十九日

法官助理 李 丽

书 记 员 王沛泽

English Translation

Supreme People's Court of the People's Republic of China

Administrative judgment

Supreme Court No. 41

Requesting reopening of the trial (editor's note in Italian law, the one who wants to appeal to the Cassation - the last degree of judgment - is called the appellant) (in the first instance the plaintiff, in the second degree appellant): Consitex SA.

*Location: Via Ligornetto ** 6855 Stabio, Switzerland.*

Legal representative: Roberto Pizzo, extraordinary representative of the company

Attorney: Wang Zhenkun, a lawyer at the Fei Yuqing law firm in Beijing

Attorney: Chen Qian, a lawyer at the Fei Yuqing law firm in Beijing

Defendant (first instance accused, second degree accused): Commission for the review and management of trademarks in industry and commerce.

Location: Chama South Street No. xx, Xicheng District, Beijing, People's Republic of China

Legal representative: Zhao Gang, director of the commission

Attorney: Niu Min, commission examiner

Third party in first instance: Liu Sanwen, male, born August 18, 1970, Han nationality, lives in the Xinjiang Autonomous Region, Shuimogou District, Urumqi City.

The company Consitex S.A., requesting the reopening of the process (from now on referred to as Consitex) since he requested the administrative invalidation of the marks against the Trademark Review and Adjudication Board and the third part Liu San Wen, did not accept the administrative judgment No. 2622 (2016) of the Beijing Intermediate People's Court, and filed for reopening of the trial.

On June 20, 2017 the Court issued an administrative judgment based on Law 3260 of the Supreme Court and requested the reopening of the case. In order to do this, on the basis of the legislative provisions, on May 31, 2018 it established a college. Consitex prosecutors, Wang Zhenkun and Chen Qian, and Niu Min, prosecutor on behalf of the Trademark Review and Adjudication Board, participated in the trial, Liu Sanwen was summoned to court but did not appear to participate in the lawsuit. The process is currently terminated.

On November 21, 2014, the Trademark Review and Adjudication Board carried out the corporate assessment No. 82142 "**Regarding the cancellation of the Yves Zegnoa trademark**" (from now on referred to as the defendant) The defendant in fact states:

“The YvesZegnoa trademark No. 1513622 (subject of the dispute) and the aforementioned trademark present substantial differences in letters, pronunciation and form, even if they produce similar products, the customers to whom the two brands address may be carefully distinguished and not confused.”

The two marks cannot be considered similar trademarks (related to identical or similar products) according to the Article 28 of the Law on Marks of the People's Republic of China dated 2001 (of renamed **2001 Trademark Law**).

The evidence presented by Consitex is not sufficient to show that its trademark, which is famous to the public, was created before the requested registration for the disputed trademark.

As previously mentioned, the two trademarks are different, "Yves Zegnoa" is neither a copy nor an imitation of the Consitex brands. Trademark registration allows the public not to be easily deceived, but this can also damage Consitex's interests: for this reason, applying for registration of those kind trademarks is not considered to be a valid and acceptable condition (referred to Article 13 of the 2001 Trademark Law).

The disputed trademark has no negative effect (as indicated in Article 10, comma 1 paragraph 8) and does not fall under the conditions set out in article 41 par. 1. Moreover, the Yves Zegnoa trademark did not violate the provisions of Article 31 of the 2001 Trademark Law.

Consitex also stated that when Liu Sanwen changed the use of the trademark, this meant nothing more than an improper use of the trademark, so, as a consequence, it should be revoked according to the Article 44.

However, this law concerns the use of the trademark, is not subject to the scope of the Trademark Review and Adjudication Board and for this reason it will not be reviewed.

The Trademark Review and Adjudication Board has established that the trademark will be maintained.

Consitex did not accept the judgment and it consequently filed an administrative lawsuit with the Beijing Intellectual Property Court (hereinafter referred to as the *court of first instance*) insisting on the fact that the contested trademark and the aforementioned trademark are quite similar and at the same time they address the same type of products.

Yves Zegnoa is in fact considered as a harmful imitation of the well-known Consitex brand: Liu Sanwen has deliberately modified the use of the brand, approaching as closely as possible the Consitex trademark.

According to Consitex, the registration and use of Liu Sanwen's trademark have violated the provisions of Article 10, comma 1, paragraph 8, and Articles 13, 28, 41, 44.

The Court is requested to revoke the express judgement. The Trademark Review and Adjudication Board stated in the first instance that this judgment had to be accepted and requested the rejection of Consitex's request. Liu Sanwen himself issued a statement in which he stated that the judgment should be accepted and asked to reject Consitex's request.

During the trial, the Court of First Instance found that the request for the filing date of the "YvesZegnoa" trademark No. 1513622 took place on December 22, 1999 and was approved for the

use in the international classification category 25 which includes products such as "clothing, shoes, hats, socks, ties, belts (clothing accessories).

The deadline for use is January 27, 2021 and the current owner of the rights is Liu Sanwen.

Regarding the registration of the "**Ermenegildo Zegna**" trademark no. 222388 (hereinafter referred to as "**I mark**") it took place on May 26, 1984 and was approved for use in the international classification category 25 which includes products such as clothing, hats and shoes.

The deadline for the use of this trademark is March 14, 2015 and the current owner of the rights is Consitex S.A.

Regarding the registration of the "**ZEGNA**" trademark no. 969347 (hereinafter referred to as "**II mark**", see the attached drawings) it took place on July 31, 1995 and was approved for use in the international classification category 25 which includes products such as clothing, hats and shoes.

The deadline for the use of this trademark is March 27, 2017, and the current owner of the rights is always Consitex S.A.

On August 26, 2013, Consitex submitted a trademark invalidation request to the Trademark Review and Adjudication Board, stating that the trademark object of the dispute had violated Article 10, comma 1 paragraph 8, and all the Articles 13, 28, 29, 31, 41, 44 of the 2001 Trademark Law, **requiring the cancellation of the trademark.**

(At the same time), Consitex also presented the following proofs:

1. Information on the registration of part of the Consitex trademarks;
2. Information on trademarks deemed similar;
3. Materials found on Baidu regarding Consitex SA company;
4. Materials related to jurisdictional measures on similar cases, judgments and rights of Consitex;
5. Financial data and a basic presentation of the "Zegna" brand;
6. Evidence on the popularity and diffusion of the I and II brands;

7. Search results for 杰尼亚 *jieniya*, "Ermenegildo Zegna" and "ZEGNA" on search engines;
8. Results of researches carried out by the national library on the presence of 杰尼亚 *jieniya*, "Ermenegildo Zegna" and "ZEGNA" on the mass media;
9. Effective use of the disputed trademark and authenticated certificate;
10. Other related tests.

In the first instance trial, Liu Sanwen clearly stated that there are no objections to the fact that the products for which the use of the disputed trademark was approved and the products using the I and II marks refer to the same or similar type of goods. **The court of first instance held that the case should be judged according to the Trademark Law of 2001.**

The contested trademark "YvesZegnoa", presents some precise differences with the trademark "Ermenegildo Zegna" and the symbol "ZEGNA", in the total composition and both in pronunciation and meaning.

Even if they refer to the same type of products (according to the Nice Classification), they do not generate misunderstandings or confusion in the public, they are not similar brands used on the same products.

In this specific case, the evidence clearly shows that the I (Ermenegildo Zegna) and II (ZEGNA) trademarks were used in China before the filing date of their registration application and **have a certain degree of popularity (but not sufficient to show that is a well-known brand).**

Furthermore, there is a difference in the contested mark and in the I and II trademarks: Liu Sanwen's trademark does not constitute a copy or imitation of the Consitex trademark.

Therefore, Consitex's claims are baseless and not supported. In fact, the trademark object of the dispute does not fall under the conditions referred to in article 10, par. 1 paragraph 8, in article 41, par. 1 and 2 of the 2001 Trademark Law.

Consitex also stated that the changes made by Liu Sanwen in the use of the disputed trademark would lead to improper use of this trademark, but this is not the purpose of this process.

In summary, on 19 November 2015, the Court of First Instance of Beijing (the Beijing Intellectual Property Court) issued the administrative judgment n°1586 in accordance with Article 69 of the Code of Administrative Procedure of the People's Republic of China, rejecting the accusations of the plaintiff Consitex S.A.

Consitex has not accepted this sentence and has appealed to the Peoples High Court of Beijing (hereinafter referred to as the *second instance court*):

1. The contested trademark and the trademarks mentioned (I and II) are very similar trademarks and used on the same type of products; they thus violate the provisions of Article 28 of the 2001 Law.
2. The aforementioned brand "ZEGNA" of Consitex is a well-known brand of clothing and in this process the popularity of the brand should be taken into account.
3. Liu Sanwen is a manager in the clothing sector. In the province where he usually operates, the province of Guangdong, Consitex's activities are widely publicised. For this reason, before receiving the disputed trademark for sale he should have known well this brand: in the commercial use of the trademark, Liu Sanwen admitted the use of the "Zegnoa" part in fact very similar to the well-known Consitex brand "ZEGNA", aimed to to **exploit the reputation of the Consitex brands** therefore appears evident. Wenzhou Yibailang Garment Co., Ltd., which first applied for the contested brand, is a clothing company. Before requesting the registration of the trademark, he must certainly have been aware of the popularity of the "ZEGNA" brand of Consitex; the trademark registration request also caused damage to the company itself. **According to the provisions of Article 41, paragraph 1 of the 2001 Trademark Law, this mark cannot be maintained.**

4. If this mark will be still maintained, there would be negative repercussions. Consitex asks for the revocation of the first instance judgment and the judgment issued, asking the Trademark Review and Adjudication Board to reformulate the judgment.

The Trademark Review and Adjudication Board and Liu Sanwen accepted the judgment issued at first instance. The second instance Court, thanks to the investigative activity, confirms what was verified by the court of first instance. It also showed that the applicant for the contested mark was Wenzhou Yibailang Clothing Co., Ltd. on 21/6/2011 Liu Sanwen obtained the transfer of the mark. In the second instance trial, Consitex clearly no longer appealed to Article 13 of the 2001 Trademark Law, but emphasised the great reputation of its trademark, a characteristic that must be widely taken into account.

The second instance Court establishes that based on article 28 of the 2001 Law, the Trademark office cannot accept the request for registration of a trademark that does not comply with the provisions of this law, which refers to similar or identical products of trademarks already registered or that is the same or similar to previously approved trademarks. The disputed trademark is made up of special characters while the Consitex trademark I (Ermenegildo Zegna), is a combination of special characters and particular design.

Comparing the features present in the disputed mark with those of the I and II marks, there is a difference in pronunciation and general appearance (and if we consider the notoriety of the brands mentioned they are commonly used for products such as clothing, shoes, hats and the like, the customer who knows how can still distinguish them). Therefore, the contested trademark and the I and II trademarks cannot be considered similar brands of the same or similar type of products.

Based on article 41 par. 1 of the 2001 Law, registration of the trademark took place with **improper and misleading intentions**, therefore it must be revoked by the Trademark office. Other companies or individuals may request the same revocation.

"Improper means of obtaining registration" indicated in the paragraph refers mainly to intentions such as a confusing trademark registration order, damage to the public interest, improper use of public resources, obtaining benefits not due by other means.

The request for registration of the disputed trademark to which Consitex appeals, should have taken into account the notoriety of the Consitex trademark, Liu Sanwen should be suspected of having taken advantage of it, these statements do not however fall into the case of "improper means" of which mention is made in Article 41, paragraph 1 of the 2001 Law.

Based on Article 10, comma 1, paragraph 8 of the 2001 Law, it's established that a mark harmful to social ethics or that procures other types of damage, must not be used.

When examining and judging whether the parts that constitute a trademark can have negative effects, it is necessary to consider whether the trademark itself or the elements that compose it can bring benefits to the community that are of a political, economic, cultural, religious and ethnic nature etc..., or if they have negative influences on public order. The disputed trademark does not fall within these cases.

In summary, the Beijing High Court, according to Article 89, comma 1, paragraph 1 of the Administrative Procedure Code issued on June 29, 2016 the administrative sentence No. 2622: the appeal was rejected and the first instance judgment was confirmed.

Consitex has filed an appeal:

1. The Consitex brand has numerous distinctive and high-level elements, but the visual effect of seeing the two brands is that they are structurally very similar, when Liu Sanwen started using the disputed trademark, made changes, imitating the brand in question and deceiving the consumer. The disputed trademark violates the provisions of Article 28 of the Trademark Law of 2001 and must therefore be declared invalid.
2. Liu Sanwen's trademark maliciously obtained and misused violates the principle of good faith and causes negative effects. It violates the provisions of Article 41, paragraph 1 and

Article 10 paragraph 1 paragraph 8 and also for this reason must be declared invalid. **In summary, Consitex has asked for the cancellation of the first and second instance sentences, asking the Trademark Review and Adjudication Board for a new assessment of the disputed brand.**

However, the Trademark Review and Adjudication Board argued that the situation was clear, the procedure legitimate and that the law applied was correct. He therefore asked for the rejection of the request for a new appeal lodged by Consitex.

Liu Sanwen, on the other hand, argues:

1. The contested trademark and the two trademarks mentioned are in no way similar brands used on the same type of product.
2. As a third party, it is entitled to obtain the trademark currently disputed as it is not in bad faith, nor has it used illegal or non-compliant means to obtain registration. Therefore it has not violated the provisions of the trademark law.

The present court has verified that the investigations carried out by the Court of first and second instance are correct.

It also ascertained from the evidence presented by Consitex to the Trademark Review and Adjudication Board in the review process, the introduction that mass media such as Consitex makes is as follows: "Zegna, whose Chinese name is *Jieniya*, the full name is Ermenegildo Zegna..., founded by Ermenegildo Zegna is the world famous menswear brand, created in 1910... opened its first store in Beijing Wangfujing in 1991, making it the first foreign brand to enter inside Wangfujing";

Research in newspapers, mass media, libraries of terms such as "*Jieniya*", "Ermenegildo Zegna", "Zegna" led to the following results: in the article "Zegna's marketing strategy" published in the "China Market" magazine in 1994, it is emphasised that "Chinese people who can afford a complete men's suit of 15,000 yuan from Zegna are not many".

Zegna clothing is very popular in China; the article “Autumn - Winter 95-96 Beijing International Brand Fashion Show” published in “China Business” in 1995, reports: “This September, the autumn-winter fashion 95-96 was launched at the Shangri-La Hotel in Beijing, participate... parade... including Zegna, Bally...” ; the article “Colorful International Apparel Store” published in the “Chinese Business” magazine in 1996 considers Zegna as the famous and high quality male brand of trust and success; in the 11th issue of “China Entrepreneur Magazine” published in 1999, the article “Chen Yifei: The Boss Should Have Taste” reports: “*this famous painter impeccably wears a Zegna suit...*”.

In the review process, Consitex presented to the Trademark Review and Adjudication Board the certificate No. 17264 (2013) of the Baiyun district (Guangzhou - Guangdong) and the advertising billboard of the clothing store “YvesZegnoa”; the Trademark Review and Adjudication Board confirms the authenticity of the evidence but believes that there are not relevant proofs for the current situation.

According to the aforementioned tests, **Liu Sanwen emphasised or used the "Zegnoa" part of the contested trademark "YvesZegnoa" on clothing products such as men's shirts in his shop, on his staff's labels and business cards; or it has omitted the central letter "O", using on the clothing the "ZEGNA" mark made up of the same syllables contained in the II mark on clothing.**

(The license of) This brand was transferred by Liu Sanwen to the Guangzhou Haowen Clothing Co., whose legal representative and holder of the company's business license is himself. This court considers that the main objective of the dispute is whether the contested trademark and the trademarks cited are similar trademarks used on the same type of goods and if they violate the provisions of article 28 of the 2001 Trademark Law.

Article 28 of the 2001 Trademark Law states that any registration request for a trademark that does not comply with the provisions of this law, which represents the same type of product as another

brand, which is similar to another trademark subjected to evaluation or previously already registered on the same type of product, cannot be accepted by the Trademark Office which consequently rejects it.

Based on the provisions of article 41 par. 3 of the 2001 Law, in the event of disputes related to a trademark already registered, it is possible to submit a request to the Trademark Review and Adjudication Board **within five years** from the date of approval of the registration of the trademark. In this case, the “Ermenegildo Zegna” and “ZEGNA” brands do not have a specific connotation. “Zegna” is the surname of Ermenegildo Zegna, founder of the Zegna brand, this is obviously significant.

The “YvesZegnoa” brand is composed of “Yves” and “Zegnoa”, the third actor in this process has used the second half of the contested brand, namely “Zegnoa”, highlighting it as a distinctive part of the brand.

Thus, comparing the brands, it is clear that “Zegnoa” is composed of one more letter (the O) which compared to “Zegna”, can be considered very similar; if you look at them in their entirety, the second half of the disputed trademark is very similar to the second half of the first mark and overall also resembles the second brand, this means that, being a brand composed of a foreign surname, **it can be confused and considered the same surname.**

Regarding the popularity of the brands mentioned, according to the evidence presented by Consitex during the brand review phase and during the investigations carried out by the Court, the I and II trademarks have enjoyed a certain popularity and long-term publicity in China.

The third actor does not make a specific use of the brand: he uses it highlighting the “Zegnoa” part in the brand and omitting the letter “o” in the middle of “Zegnoa”. Omitting the “o”, means creating a trademark which is completely identical to the syllables of the brand II, deceiving the consumer.

As for the type of goods, in this case the products represented by the disputed trademark are those belonging to type 25, namely clothing, shoes, caps, socks, ties, belts; while, those represented by

brands I and II are clothing, shoes and hats. The first trademark describes some of the products belonging to the identical category where also the two Constex's trademark belongs to, but the other products represented by the contested brand are however very similar to the type of goods represented by the brands I and II.

If we take as a reference the degree of similarity that exists between the disputed brand and the most significant part of the brands in question, the similarity of the products, the popularity of the brands, the interest of the customers, the way in which the disputed brand is used , **it can be said that the brands are structurally similar and this can easily mislead the customers interested in this kind of products; registration of the disputed trademark violates Article 28 of the 2001 Law, cannot therefore be granted.**

In comparing the level of similarity of the two trademarks, the Courts of first and second instance considered only the **overall difference**, or even if they take into consideration the popularity of the brands, however they do not consider other factors and it is obvious that in this case those judgments were correct.

Furthermore, the request to register the disputed trademark does not fall within the case of "improper means" mentioned in Article 41, paragraph 1 of the 2001 Law, and does not violate the provisions of Article 10, paragraph 1, comma 8 of the 2001 Law. For this reason, it is not possible to establish the reasons for which Consitex requests reopening of the process.

In summary, the first and second degree judgments, together with the incorrect application of the laws, must be reviewed.

Based on Article 89, comma 1 par. 2 of the Code of Administrative Procedure of the People's Republic of China, the Supreme People's Court of the People's Republic of China, applying the laws of the administrative procedure code according to article 119, paragraph 1, and article 122, issues the following judgment:

1. Cancellation of the administrative judgment n°2622 (2016) of the High Court of the city of Beijing;
2. Annulment of the administrative judgment n°1586 (2015) of the Intellectual Property Court of the city of Beijing;
3. Cancellation of the assessment carried out by the Trademark Review and Adjudication Board No. 82142 of 2014 "With regard to the cancellation request for trademark No. 1513622 - YvesZegnoa-";
4. Order the **Trademark Review and Adjudication Board to re-evaluate the cancellation of trademark No. 1513622.**

The fee for the first grade is 100 RMB, while the fee for the second grade is 100 RMB and is paid by the Trademark Review and Adjudication Board.

This judgment is intended as a final judgment.

Chairman of the Judges Committee: Xia Junli

Judge Lang Guimei, Judge Ma Xiurong

06/29/2018

Chancellor Li Li, Secretary Wang Peize

Analysis and comment

The judgment I decided to include in my thesis is a key judgment in the history of intellectual property protection in China.

This is because, as previously stated, for the first time the Supreme Court has completely overturned the outcome of the trial, annulling the judgments formulated by the previous degrees in favor of the Chinese counterpart called to court.

The decision issued by the Supreme Court therefore distorts the decisions of the previous courts that had ruled out the existence of any violation, finally allowing the owner of the Ermenegildo Zegna trademark to terminate the dispute that had been pending for five years.

A Chinese operator, in fact, sold “Yves Zegnoa” brand products, emphasizing only the last part of the brand and thus causing a clear risk of confusion with the well-known Italian brand, which also enjoys fame in China.

Trademarks in the center of the judgement are three: on one hand we have the trademarks owned by Consitex SA, Ermenegildo Zegna (in the judgement called “I mark”) and ZEGNA (“II mark”), while on the other one we have the trademark “Yves Zegnoa”, owned by local operator Liu Sanwen. According to what was written in the judgement, all the trademarks were officially and regularly registered, and in particular:

- 1. ZEGNA was registered on 31 July 1995.**
- 2. Ermenegildo Zegna was registered on 26 July 1984.**
- 3. Yves Zegnoa brand was registered on 22 December 1999.**

All three trademarks belong to **category 25** of the Nice classification, for which all clothing, footwear, hats and other accessories are identified.

On August 26th 2013, Consitex SA presented TRAB with a request of cancelling the trademark of the local operator Liu Sanwen, presenting various proofs relating the similarity of trademark I and II against the disputed one, and appealing to various articles of the Trademark Law of 2001, namely:

Article 10 1.8 ²¹², Article 13 ²¹³, Articles 28 ²¹⁴ and 29 ²¹⁵, Article 31 ²¹⁶ and Articles 41 ²¹⁷ and 44 ²¹⁸.

²¹² **[Art. 10]** None of the following signs may be used as trademarks:

(1) those identical with or similar to the State name, national flag, national emblem, military flag, or decorations, of the People's Republic of China; those identical with the names of the specific locations that are seats of central state organs; or those identical with the names or designs of landmark buildings; (2) those identical with or similar to the state names, national flags, national emblems or military flags of foreign countries, with the exception of those the use of which is permitted by the government of the country concerned; (3) those identical with or similar to the names, flags or emblems of international inter- governmental organizations, with the exception of those the use of which is permitted by the organization concerned or is not liable to mislead the public; (4) those identical with or similar to an official mark or inspection stamp that indicates control and guarantee, except where authorized; (5) those identical with or similar to the symbol or name of the Red Cross or the Red Crescent; (6) those having the nature of discrimination against any nationality; (7) those constituting exaggerated and deceitful advertising; and (8) those detrimental to socialist ethics or customs, or having other unwholesome influences.

²¹³ **[Art. 13]** Where the trademark of an identical or similar kind of goods is a reproduction, imitation, or translation of another person's well-known trademark not registered in China and is liable to cause public confusion, no application for its registration may be granted and its use shall be prohibited.

²¹⁴ **[Art. 28]** Where a trademark, for the registration of which an application is made, that does not conform to the relevant provisions of this Law or that is identical with or similar to the trademark already registered by another person or is given preliminary examination and approval for use on the same kind of goods or similar goods, the Trademark Office shall reject the application and shall not announce that trademark.

²¹⁵ **[Art. 29]** Where two or more applicants apply to register identical or similar trademarks for use on the same kind of goods or similar goods, the Trademark Office shall first conduct examination of, give approval to and announce the trademark whose registration is applied for earlier than the rest. Where the applications are filed on the same day, the Trademark Office shall first examine, give approval to and announce the trademark which is used earlier than the rest, and it shall reject the applications for registration of the other trademarks and shall not announce them.

²¹⁶ **[Art. 31]** No applicant for trademark application may infringe upon another person's existing prior rights, nor may he, by illegitimate means, rush to register a trademark that is already in use by another person and has certain influence.

²¹⁷ **[Art. 41]** Where a trademark is registered in violation of the provisions of Article 10, 11, or 12 of this Law, or it is registered by deceitful or other illegitimate means, the Trademark Office shall cancel the trademark. Any unit or individual may request that the Trademark Review and Adjudication Board make a ruling to cancel such a registered trademark.

²¹⁸ **[Art. 44]** Where a trademark user commits any of the following acts, the Trademark Office shall order it to rectify the situation within a time limit or revoke the registered trademark: (1) altering the registered trademark by himself; (2) altering the name, address, or other particulars in the registration by himself; (3) assigning the trademark by himself; or (4) ceasing the use of the registered trademark for three consecutive years.

On 22 November 2014, Consitex's request was analyzed by the TRAB (Trademark Review and Adjudication Board) and the corporate assessment No. 82142 was carried out. Liu Sanwen states that although the brands have been registered in the same category of products they are nonetheless characterized by significant differences in the logo, in the name itself and in the sounding of the mark.

On 19 November of the following year, the Administrative Court ruling No. 1586 (in accordance with Article 69 of the Administrative Procedure Code) was issued by the Beijing Intellectual Property Court (in the judgement referred as 一审法院, which means *Court of first instance*). in which Consitex's accusation was rejected.

The judgement in fact also refers to Article 31 of the 2001 Law, establishing that it is not possible to talk about counterfeiting since it does not fall within the scope of a violation.

Despite the ruling to the detriment of Consitex, the following year, in 2016, Consitex, referring to Article 44 and Article 28 of the Trademark Law, appealed to the High Court in Beijing (in the judgement referred as 一审法院 *Court of second instance*) opposing the TRAB verdict: according to Consitex, the local operator Liu Sanwen was well aware of the reputation of the Zegna Group's brand, and consequently he would have used this reputation to market its products, creating confusion among consumers and damaging the original brand (as written in the provisions of Article 41, paragraph 1).

In this second degree process, Consitex therefore exploited the reputation of the brand as a lever to assert its position. However, the court appealed to Article 28 ²¹⁹ of the 2001 Law, stating that the Trademark Office cannot accept the registration request for a trademark that does not meet all the validity requirements.

²¹⁹ [Art. 28] Where a trademark, for the registration of which an application is made, that does not conform to the relevant provisions of this Law or that is identical with or similar to the trademark already registered by another person or is given preliminary examination and approval for use on the same kind of goods or similar goods, the Trademark Office shall reject the application and shall not announce that trademark.

Consequently, since the Yves Zegna brand is a legally registered trademark, this type of problem does not exist: comparing the features of the disputed trademark and the I and II marks, there are considerable differences in pronunciation and general appearance. Although they belong to the same product category, the differences are so substantial that customers are able to distinguish them. Consitex therefore decides to appeal to Article 41, which analyzes the cases in which a trademark is registered through improper means, or means capable of creating confusion or damage to the public interest.

As for the "improper means", article 10, paragraph 1, paragraph 8 is also important, according to which a trademark that is against social ethics should not be registered: but even this is not the case. In the same way, the Superior Intermediate Court of Beijing, by sentence n° 2262, also rejects the accusation of Consitex SA and takes sides with Liu Sanwen.

Consitex again appealed.

On September 20, 2017, about four years later, the Supreme People's Court issued a judgement calling for the case to be opened again.

The Supreme Court then assessed the judgments of the lower grades of judgment, approving their validity, but trying to study more deeply the reasons that led Consitex SA to oppose so strenuously: research in newspapers, on social media and on e-commerce platforms have highlighted the great reputation of Consitex's brands.

A more in-depth analysis has shown that Liu Sanwen in his brand has given much emphasis to the final part, especially on labels of clothing products or on his staff's business cards, omitting even in many cases the "o", thus using the brand "ZEGNA", completely identical to the II mark.

Thus comparing the brands, it is clear that "Zegna" is composed of one more letter, the letter "O". Compared to "Zegna", those two marks are therefore very similar; if you look at them in their entirety, the second half of the disputed trademark is very similar to the second half of the I mark

and overall also resembles the II brand. This means that, being a brand composed of a foreign surname, it can be confused and considered the same surname.

If we take as a reference the degree of similarity that exists between the disputed brand and the most significant part of the brands in question, the similarity of the products, the popularity of the brands, the interest of the customers, the way in which the disputed brand is used, it can be stated that the brands are structurally similar and this can easily mislead the customers interested in this kind of products.

The Supreme Court stated that both decisions taken by the lower grades of judgment were right, but the differences between the two marks had been analyzed in a general manner, not in detail, so the judgements must be reviewed.

As can be seen from the case study presented here, the dispute is still to be considered open after about five years.

It should be stressed the fact that in China the use of civil litigation is, in fact, still limited with respect to the use of administrative protection, due to longer time frames, higher costs and a rich lack of confidence in a judiciary system highly affected by political and hierarchical interferences and that, not surprisingly, proved to be an arduous battleground within the framework of multilateral agreements aimed at China's accession to the WTO.

Despite the efforts made by the authorities, the jurisdictional system in charge of managing disputes, in particular outside the main cities, does not yet have sufficient legal preparation necessary to manage complex intellectual property disputes, and for these reasons it is often inefficient.

Thus, the outcome of decisions is really uncertain both in jurisdictional and administrative proceedings.

One of the consequences of the articulated Chinese legal system is the multiplication of authorities potentially competent to examine cases of infringement of Intellectual Property rights. This reality

contributes to the slowness of many procedures, which often begin involving the administrative authority, through which the procedure is faster and cheaper. The provision established may be subjected to a review procedure by the ordinary judicial authority with the consequent suspension of the decided measures.

The case study presented here is a striking example of how clearly the Chinese judicial system is characterized by gaps in the application of the law, which led to a lengthening of the time frame, leaving still, almost six years later, the case still open.

The prosecution is promoted by the State and the private individual can only institute a civil action connected with the criminal action: in the event that the compensation for damages is requested in both locations, it will be defined only in the penal context.

In Chinese culture, the problem of conceiving the idea of violation in a negative way is very far from its semantic meaning. The person who "copies" is also the one who "reproduces" and who "reproduces", in Confucian culture, is the one who "admires and respects". It is therefore evident the reversal in the Chinese scale of values, which therefore cannot take too much into consideration exclusive proprietary rights and will not see the phenomenon of "reproduction" as a despicable insult, but at most and not even too correctly, as William P. Alford would say, an "elegant offense".

220

²²⁰ William P., ALFORD, *To steal a book is an elegant offence: intellectual property Law in Chinese civilization*, Stanford University Press, 1995.

FINAL QUESTION: IF THE ZEGNA JUDGEMENT HAD TAKEN PLACE UNDER THE ITALIAN LEGISLATION, WHAT WOULD HAVE BEEN THE RESULT?

As previously introduced in the final paragraph of the second chapter, the Italian Penal Code has fully and deeply analysed the theme of trademark infringement.

The IPR discipline in the Italian context, compared to the Chinese one, however, enjoys a more systematic, clear and organized structure.

While in China very often the delays in the promulgation of sentences are often also due to the numerous gaps that the discipline of the trademark possesses, in Italy we can say that the situation is way better, and it is easy to understand from the first articles of the Penal Code.

The main articles that analyses the theme of trademark infringement are in fact Article 473, 474, 517 ter and quater.

Already in the first article, Article 473 "Counterfeiting, alteration or use of a trademark [...]", the issue is analyzed from the point of view of punishment: it is stated that anyone who exploits another's trademark already registered, alters it or counterfeit or use it, be punished.

The sanctions mentioned in the Italian Penal Code are both penalties related to imprisonment and financial penalties: in particular, anyone who forges a trademark of another is punishable by imprisonment from six months to three years with a fine ranging from 2,500 euros to 25,000.

The aggravating circumstance, present in the Italian Penal Code, relates to the use of the aforementioned mark: the penalty of imprisonment increases from one to four years and the fine ranges from 3,500 to 35,000. This happens, as explained in Article 474, in cases where these counterfeit industrial products are introduced into the State.

In paragraph 2 the lighter judgment is also made explicit for those who limit themselves only marketing counterfeit products (outside the cases of concurrence in counterfeiting) within the

territory of the State, and the punishment consists in imprisonment up to two years and with a fine of up to 20,000 euros.

The issue of the usurpation of the Industrial Property title is instead presented in Article 517 ter, in fact whoever commercially uses goods usurping them from an industrial property title, is punished: the penalty relating to imprisonment is a maximum of two years, while a fine is capped at 20,000 euros. The same penalty is precise for anyone who introduces these assets into the State.

So, what could have been the outcome of the judgement of the conflict between Consitex and Liu Sanwen if it had been promulgated in Italy by the Corte di Cassazione of Rome?

Answering this question is a bit complicated, but I will try to answer it by examining a very similar and especially recent case study: the case I will use as a tool to start a comparative analysis of the previously analyzed Zegna case is the one that saw Gucci win a lawsuit against Lorenzo, a Chinese leather goods company.

The last degree of judgment, as well as for Consitex, has been issued by the highest degree of jurisdiction, the Corte di Cassazione of Rome which accepted an appeal presented by the Kering group of Florence against the previous judgment of the Corte di Appello of Florence, relating to a case that saw Gucci opposed to the Pelletteria Lorenzo, based in Italy and owned by a Chinese citizen.

Pelletteria Lorenzo in fact marked its products with two contrasting Cs in a divergent sense. A symbol considered extremely similar to the "two opposite and converging Gs of the brand", but according to the Tuscan Judge of the second degree, this similarity was not to be considered enough to be able to talk about trademark infringement: moreover, according to the Judge, products were not therefore attributable to Gucci itself, but to an imitation "similar to Gucci", which was not intended to debase the original brand but rather to *enhance it*.

Italian Corte di Cassazione of Rome was certainly of the opposite opinion, according to which

[...] “The more the evocation of the earlier mark by the later mark is immediate and strong, the greater the risk that the current or future use of the later mark will derive an undue advantage from the character distinctive or by the reputation of the earlier mark or prejudice them” [...]

The complete text of the sentence of the Court of Cassation can be found on the Court of Cassation's judgment database.²²¹

Gucci S.P.A. objected to the registration and use by a third party of a trademark similar to its own and therefore requested its declaration of invalidity with simultaneous verification of the infringement both for risk of confusion and for violation of the discipline dictated in the matter of renowned trademark.

The Corte di Appello of Florence previously invested, had ruled out the confusability of the contested marks since the trademark object of the judgment

“ [...] though brazenly evoking the Gucci symbol, recalled its features using different letters and with a general imprint not graphically overlapping, with variations that could not escape the customers of the renowned house; he noted that the products of S., not comparable in quality, were not intended to be like Gucci, but like Gucci, exploiting the celebrity of others, thus enhancing it and not already devaluing it [...] ”

The well-known fashion brand challenged the decision of the Corte di Appello on two different grounds: with the first reason it contested the motivation of the second-level Judge in that, despite having underlined the strength and reputation of the brand, he considered that the variants "even minimal" were sufficient to exclude confusability, thus reducing the scope of protection. With the second, instead, Gucci denounced the violation of the discipline dictated in the matter of brand reputation.

²²¹ <http://www.italgiure.giustizia.it/xway/application/nif/clean/hc.dll?verbo=attach&db=snciv&id=./20181017/snciv@s10@a2018@n26000@tO.clean.pdf>

The Corte di Cassazione considered both reasons justified by establishing that if the sign is devoid of conceptual adherence with the products distinguished by it and, therefore, it is strong, the “variations which leave intact the identity of the ideological nucleus that sums up the individualizing attitude of the sign must be considered unsuitable to exclude the confusability”.

For this purpose, it’s always necessary to verify if there is an *appropriation of the central nucleus of the ideative individualizing message of the earlier mark, with reproduction or imitation of it in the part apt to guide the choices of potential buyers* (Cass. No. 18920/2004).

Therefore, in order to exclude the offence before a similarity between a strong trademark and another potentially counterfeit one, it will be necessary to verify that the similarity does not concern the core that distinguishes the conveyed message, but the existence or otherwise of the affinity between the products and finally, appreciate the risk of association. This also because the owner of the trademark subsequently registered with respect to the well-known one could derive undue advantage from the distinctive character or from the notoriety of the earlier trademark, thus prejudicing it.

In addition to reiterating these principles, the Court of Cassation re-reading the provisions of the Industrial Property Code and the Community Regulation, with specific reference to art. 5 paragraph 2 of Directive 89/104 on the approximation of the laws of the Member States relating to trademarks, identifies three specific profiles whose assessment is necessary in order to verify the existence or otherwise of the counterfeiting of a renowned trademark.

The first concerns the object of protection, with reference to the registered trademark characterized by "reputation" or "notoriety"; the second relates to the conditions necessary for access to protection, given that the ascertainment of the identity or similarity of the opposing marks of which one is recognized as well-known, remains wholly unrelated to the existence or otherwise of affinity between products or services and from the existence or not of the risk of association; the third concerns the cases in which the protection preserves not only the distinctive function of the

trademark itself, but prevents third parties from being unduly prejudiced by the unauthorized use of a sign similar to the trademark previously registered through the c.d. parasitic coupling, or a prejudice to the distinctive capacity, reputation or reputation of the mark itself.

More specifically, the infringements against which this protection is ensured are the prejudice to the distinctive character, the prejudice to the reputation and, lastly, the advantage improperly drawn from the distinctive character or from the notoriety of the same of the earlier mark, conduct which may lead to dilution of the mark it exists when its suitability to identify the products or services for which it was registered is weakened.

However, the reading proposed by the Court of Cassation in the order in question concerns the delimitation of the "advantage unduly drawn from the distinctive character or the notoriety of the trademark", also called "parasitism". In fact the latter must be connected not so much to the prejudice suffered by the mark, but to the advantage the third party would benefit from using the sign identical or similar to the mark.

This is the case in which, as a result of a transfer of the image of the trademark or of the features projected by it onto the products designated by the identical or similar sign, the reputation of the trademark is exploited without the owner of the disputed trademark having to make his own efforts in this regard and without any economic remuneration to offset the commercial effort made to create it and maintain its image.

The attraction and the intrinsic added value of some marks due to the widespread notoriety that they enjoy, are particularly important and worthy of protection: the focus of protection will no longer be the distinctiveness of the brand, but its same attractiveness function with the contextual recognition of the economic relevance of the protection of characters such as the suggestive charge and the appeal.

For this reason, the Court of Cassation upheld the appeal presented by Gucci, and referred the case back to the Court of Appeal of Florence.

As we can see from the analysis of the two case studies, both judgments have a very similar structure: in both cases the highest grades of judgment are lined up in favor of the injured party, the original luxury fashion brand.

In both cases the injured parties did not accept the first instance judgment of the local Corte di Appello, and therefore appealed to the Supreme People's Court (regarding the case of Ermenegildo Zegna vs Yves Zegna), and to the Corte di Cassazione (regarding the case of Gucci vs Pelletteria Lorenzo).

The Gucci judgment has been one of many that the Corte di Cassazione recently dealt with in the area of Intellectual Property infringement, along with the Ferragamo judgment.

With the judgment No. 26001 in fact, the Corte di Cassazione postponed the memory of the Florentine fashion house Ferragamo against "Ripani Italiana Pelletteria", which had used a hook (between the shoulder strap and the bag) that reproduced the Greek letter "omega", already registered as a three-dimensional trademark by Ferragamo (trademark called "Gancini"). The Corte di Appello of Milan had in fact considered that the hooks resembling the letter "omega" used by other leather goods did not generate any risk of confusion in the public, arguing that the function of the product in question was purely instrumental.

In particular, with regard to the Gucci case and the Ferragamo case, the Corte di Cassazione annulled the second instance judgments, claiming that the requests had not been analyzed from the point of view of the protection of a well-known mark.

In all the case studies I have analyzed (Ermenegildo Zegna in China and Gucci and Ferragamo in Italy) the highest grades of judgment lined up in favor of the "original" brands, confirming the counterpart's intention to exploit the notoriety of the aforementioned trademarks to take advantage of using a similar or even identical sign (not just visually as it may have been for the Gucci case in which Lorenzo Leather had used two opposing Cs that resembled the Gucci logo, but also at the level of sounding as it was for the Zegna case, in which the owner of the brand Yves Zegna had

placed much emphasis on the second part of the brand, whose sounding was very reminiscent of the sounding of the Italian brand).

In all cases, moreover, one of the reasons that led the two levels of judgment to stand in favor of the two Italian parts is the "link", which is the degree of similarity (which precisely presupposes elements of visual, auditory and conceptual analogy), between the trademark and the distinctive sign due to which the interested public can relate them, even without confusing them.

Therefore, in order to grant protection, the trial judge must take these elements into account and make a double evaluation: firstly, verify the existence of the link that has just been mentioned, and in seconds ascertain that at least one of the sanctioned violations has occurred: the prejudice to the distinctiveness, or the prejudice of the reputation and reputation of the trademark, or even the achievement of an undue advantage connected to the illegitimate use of the later trademark.

The first case of prejudice of distinctiveness is called "dilution", and it is the prejudice caused to the distinctive character that enjoys notoriety. As a result the original trademark is weakened in identifying the products and services for which it has been previously registered.

The second case of prejudice to reputation is called "corrosion", and occurs when the products and services for which the identical sign is used by third parties can be perceived by the public in such a way that the power of attraction of the mark may be compromised.

The third case mentioned in the Gucci judgment is the "parasitism", which is the undue advantage taken from the distinctive character or the notoriety of the trademark, closely related to corrosion.

Given the great similarity that characterized the two judgments previously analyzed, after having taken in exam also the Articles of the IPC regulating the trademark discipline (in particular according to the Article 473, related to the exploitation of another person's already registered trademark), the Court of Cassation would have also supported the Zegna Group, as this case is also a clear example of how "parasitism" is a widespread phenomenon that damages the image of an established quality brand in the world.

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