



Ca' Foscari  
University  
of Venice

## Master's Degree programme

in Languages, Economics and Institutions of Asia and North Africa

Second cycle (D.M. 270/2004)

Final Dissertation

### Slavish imitation

### in Chinese law: a comparative perspective

**Supervisor**

Ch. Prof. Renzo Riccardo Cavalieri

**Assistant Supervisor**

Ch. Prof. Laura De Giorgi

**Graduand**

Giulia Montanini

Matriculation Number 860390

**Academic Year**

2016 / 2017



## 引言

经济主动权自由意味着市场上多元化企业家的正常存在，他们提供相同或类似商品和服务，因此为了征服公众潜在消费者而竞争。为了取得最大的经济成功，每个企业家都享有广泛的行动自由，并能够实施他认为更有利可图的技术和战略，不仅为了吸引顾客，而且还从竞争对手那里削减顾客。竞争也可能是粗鲁的、沉重的、不受保护的，在一个竞争激烈的体系中，企业家保护被收购客户的利益是不安全的。企业家面临的损失是，从自竞争对手哪里削减顾客是不合理的也是可改变的。然而，总的来说，企业家之间的竞争是公平而诚实地进行的。这种说法让企业家心里产生一种想法，那就是在竞争中预先设定一定的行为准则；需要区分公平和强制性的竞争行为，合法的与司法系统允许的，相反的和不忠的行为，非法的和禁止的。企业家之间不符合“职业公平原则”的技术竞争是被禁止的（2598 条 3）。事实上，违反该规则的行动和行为是不正当竞争行为（所谓非法竞争行为）。这些行为也受到压制和制裁，在这种情况下，对于一般纪律侵权的第一个不同是，它们是在没有欺诈或犯罪的情况下进行的（第 2600 条第 1 款）。此外，他们还受到压制和制裁，尽管他们还没有给他们的竞争对手造成损害。事实上，所谓的潜在危害已经足够；也就是说，“该行为能伤害其他的公司”（第 2598 条 3）。不正当竞争和侵权行为是既有联系又有分歧的制度。在竞争企业家之间的关系中，不正当竞争行为起着预防和制止可能造成不公平损害的行为的作用。这一职能与司法系统赋予侵权行为一般纪律的职能相同，但其所采取的调整是由被制止的非法行为类型的特殊性（非法竞争行为）所造成的。一个违法行为的特殊性决定了不可忽略的纪律差异，这是因为反不正当竞争：

它不受欺诈或犯罪主观因素的利用；它是从实际经济损失的存在中释放出来；它是通过典型的制裁（抑制和去除）来实现的，但不会造成损害。此外，这种纪律为企业家在与竞争者的关系中提供更有力的保护，以避免不公平的做法，这可能会改变一般的利益价值：竞争确保市场的正常运作。不正当竞争规则所保护的利益不是耗尽企业家的利益，不是因为看到企业家的利润机会因为竞争者的不公平手段而降低了。保护也是最普遍的利益，不扭曲公众的评价和判断因素，欺骗最终生产者的最常见的利益：消费者。广泛的消费者利益不能完全被视为与不公平竞争体系无关的，必须在评估竞争做法的“忠诚”时加以考虑。因此，对不公平竞争的合理回应，只是竞争企业家或他们的协会，而不是个人消费者或他们的协会。这意味着，只有通过调解和反思的方式，消费者的利益才不会被欺骗，他们的选择受到不公平竞争规则的保护。对不正当竞争规则的应用需要两个基本条件：前者是承包商的质量，后者不正当竞争的不正当行为的人（直接或间接），或受影响的人；后者则是它们之间的经济竞争关系的存在。另一方面，在他或她的生意中受到另一个人的伤害的人，不是企业家或其竞争者而在其经营中受到损害，可以采取最不有利的民事诉讼的一般原则做出反应。此外，遭受损害的索赔还唯一可以援引的制裁。第一，不正当竞争的被动主体只能是企业家，这是毫无疑问的，因为只有那些企业家可能损害其他公司，或更确切的说，其他商业活动。适用不正当竞争规则适用的第二个标准是企业家之间存在着竞争关系：活跃者和应税者必须在同一市场上提供旨在满足消费者相同需求的商品或服务。不公正竞争诉讼的种类之一是艺术。2598、N 1, CC 是关系到“盲从模仿竞争对手的产品”，这是“产品和竞争对手的活动混淆”。除了众所周知的所有的不公平竞争的主观元素情况下，意大利整体法律（以

及学说)，这反映了在中华人民共和国也出现了方向，表达客观要素，认为模仿的形式必须是独特的能力，或参照产品外观，必须导致消费者感知的形式传递一个信息。因为它正确地指出了权威主义，它是一个未注册的形式，谁想依靠一个产品的盲目模仿，必须证明所谓的“合格”的恶名，源于其对市场的使用，并成为具有独特能力的代名词，以动态的方式来表示...关于购买“签署权”（通常这个测试包括所有可以在市场上使用的文件：广告投资、参加展览等）。同样，在模仿的形式中，必须注意到法理学趋向带来了一般的艺术条款。2598 参见—”它直接或间接地适用于任何其他不符合专业的公平原则和有能力伤害其他公司的手段”（art.2598）。特别是，不令人混淆的模仿的非法性是允许的，这样的行为在更广泛或更有资出现在不公平的竞争框架中，这也许是被广泛复制，但仍然存在的条件下，违背公平责任等要素的专业。我试着分析和比较中国的趋势，米兰法院的一项裁决，“似乎表达了这种保护主义倾向，即使在形式上也不会有鲜明的特点，因此，即使在形状之间没有混淆”。在中国，对于盲目模仿的主要原则是艺术。关于不正当竞争法的 5.2，其规定如下：“经营者不得采用下列不正当手段从事市场交易，损害竞争对手：1) [...]2) 使用，未经授权的名称、包装或知名商品特有的名称，或使用一个特殊与知名商品的装饰，包装或装潢相似，商品与他人的知名商品相混淆，使购买者误为他人的知名商品； [...]”。在中国以及意大利的法律要求，因此模仿形式是独特的（在中国又称），这可能会误导消费者。同样，即使在中国甚至在意大利发生了什么，有必要扩展没有混乱的保护情况下由于模仿形成信誉的缺失，在这个意义上参考了一般条款规定的第二条法律对中国不公平竞争的国家经营者，应在市场交易中，遵循自愿的原则、平等、诚实和信誉，遵守公认的商业道德。“不幸

的是，在这种情况下，第 2 条没有得到中国判例法的支持，在其他不公平竞争案例中也没有得到支持。为了完善在中国的参考框架，我引用最高人民法院在 2007 年出版的《不正当竞争民事诉讼程序》中关于法适用的一些问题的解释。

## INDEX

INTRODUCTION.....	8
<b>CHAPTER 1: SLAVISH IMITATION AND UNFAIR COMPETITION WITHIN ITALIAN LAW</b>	
1.1 The discipline of patents in the new intellectual property code.....	13
1.2 The code of industrial property rights and its genesis.....	13
1.2.1 Patents for invention.....	16
1.2.2 The function and nature of patents.....	17
1.2.3 Requirements of invention.....	19
1.3 The acts of unfair competition: typical cases.....	23
1.3.1 The acts of confusion.....	25
1.3.2 Slavish imitation.....	28
1.3.3 The right to a fair corporate communication.....	32
1.3.4 The other acts of unfair competition.....	35
1.4 The penalties.....	39
1.5 The legislation to protect against counterfeit products.....	41
1.5.1 Measures against counterfeit and piracy.....	43
1.5.2 The Anti-Piracy Regulation.....	44
1.6 The protection of the models and the repression of the slavish imitation.....	46

## **CHAPTER 2: SLAVISH IMITATION IN A COMPARATIVE AND INTERNATIONAL PERSPECTIVE**

2.1 Patent protection for utility model in national law: slavish imitation as unfair competition.....	49
2.2 The phenomenon of look-alike.....	52
2.2.1 The terminology.....	53
2.2.2 The different laws application against look-alike.....	54
2.2.3 European Union.....	56
2.3 The Innocuous Variants Theory.....	56
2.4 Modular products, patents and slavish imitation: G.U. Banaretti – Ritviko Toys Inc. case and Line Gig S.p.A, Gig S.p.A distribution and Toy Service S.r.l./Lego S.p.A and Lego System A.S.....	57
2.5 Towards international patent system.....	61
2.5.1 The rights conferred by TRIPS to patent regulation.....	62
2.5.2 The Patent Cooperation Treaty.....	64
2.5.3 A choice between different procedures.....	67
2.6 The European patent.....	68
2.6.1 The Monaco Convention on European patent.....	69
2.6.2 European and National patents.....	71

## **CHAPTER 3: THE PROTECTION OF PRODUCT’S SHAPE IN CHINA**

3.1 China between underdevelopment and innovation.....	72
3.1.1 The current status of intellectual property in China.....	73

3.1.2 The influence of the access to the WTO.....	74
3.1.3 Strategies proposed by China after the implementation of TRIPs.....	75
3.2 Design and its protection in Chinese patent law.....	76
3.2.1 The patent law regulation: industrial invention and design.....	79
3.2.2 Originality of the Chinese design .....	83
3.2.3 Non-patentable design.....	86
3.2.4 Administrative and judicial protection.....	89
3.2.5 Enforcement.....	92
3.3 Slavish imitation in China.....	94
3.4 The criteria of counterfeiting in China.....	96
3.5 Two cases in comparison: the case and the decision of Milan Court.....	99
3.5.1 The case and the decision of Chinese Court.....	100
3.5.2 Considerations on Italian response.....	103
3.5.3 Considerations on Chinese response.....	104
<b>CONCLUSIONS.....</b>	<b>107</b>
<b>BIBLIOGRAPHY.....</b>	<b>110</b>
<b>SITOGRAPHY.....</b>	<b>116</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>117</b>

## INTRODUCTION

Freedom of economic initiative implies the normal presence on the market of a plurality of entrepreneurs who offer identical or similar goods and services, and consequently compete in order to conquer the public's potential for the consumer. To achieve a greatest economic success, each entrepreneur enjoys freedom of action and can implement the techniques and the strategies he deems to be more profitable, not only to attract customers, but also to subtract them from their competitors. Competition can also be rude, heavy and unprotected, within a very competitive system, and the entrepreneurs' interests to preserve the acquired customers are not safe. The damage an entrepreneur faces because of subtracting customers from competitors is not unjustifiable and reparable. It is, however, of general interest that competition among entrepreneurs takes place fairly and honestly. This statement produces in the entrepreneurs' mind the need to pre-set certain rules of conduct to be observed while competing; the need to distinguish between fair and compelling competitive behaviors, legitimated and allowed by the judicial system, and opposite and disloyal behaviors, illegal and prohibited<sup>1</sup>.

Competition among entrepreneurs is prohibited by means of techniques that do not comply with the "principles of professional fairness" (Article 2598 n.3). The facts, acts and behaviors that violate this rule are acts of unfair competition. These acts are also repressed and sanctioned, and in this case a first difference, to the general discipline of tort, is that they are carried out without fraud or guilty (Article 2600, paragraph 1). In addition, they are repressed and sanctioned, even though they have not yet caused damage to their competitors. Indeed, the so-called potential damage is enough; that is to say that "the act is capable of hurting the other company" (Article 2598 n.3).

Unfair competition and tort are institutions that have both affinities and divergences. Unfair competition's discipline carries out, in the context of relationships among competitive entrepreneurs, the function of preventing and repressing acts which may cause an unfair damage. This function is identical to what judicial system assigns to the general discipline of tort, but is pursued with the adjustments imposed by the specificity of the illegal action's type that is to be suppressed (unlawful competitive act). The specificity of an illegal action determines non-negligible discipline differences, and this

---

<sup>1</sup> Campobasso G.F., *Diritto Commerciale – Diritto dell'Impresa*, UTET, Torino, p. 234.

is because of repression of unfair competition: it is free from the use of the subjective element of fraud or guilty; it is released from the presence of actual financial loss; it is implemented through typical sanctions (inhibitory and removal), which do not run out of damages.

Moreover, this kind of discipline offers entrepreneurs more vigorous protection in their relationship with competitors in order to avoid unfair practices, which may alter a general interest value: the right functioning of the market assured by competition. The interest protected by unfair competition's rules is not run out of entrepreneurs' interests not to see their opportunities of profit reduced as a result of competitors' unfair approaches. Protection is also the most common interest in not distorting the elements of evaluation and judgment of the public and deceiving the final recipients of production: consumers. The widespread consumer interests cannot entirely be considered as extraneous to the system of unfair competition and must be considered in assessing the "loyalty" of competitive practices.

Consequently, legitimate responses to unfair competition are only competing entrepreneurs or their trade associations, not the individual consumer or their associations. This implies that the interest of consumers not to be deceived in their choices is protected by the rules of unfair competition only in a mediated and reflective way<sup>2</sup>. The application of the rules on unfair competition requires two fundamental conditions: the former is the quality of the contractor both is the person who places (directly or indirectly) the unfair act of unfair competition, or of the person who is subject to consequences; the latter is the existence of an economic competition relationship between them<sup>3</sup>. On the other hand, who has been harmed in his or her business by another person, who is not an entrepreneur or his competitor, may react by using the least favorable general discipline of civil lawsuit. In addition, the only sanction that can be invoked will be the claim of the suffered damage. Firstly, the fact that the passive subject of unfair competition can only be an entrepreneur is out of question, since only those entrepreneurs may harm others' companies, or rather, other business activities. The second criterion of the application of the unfair competition's rules is the existence of a competitive relationship among entrepreneurs:

---

<sup>2</sup> Campobasso G.F., *Diritto Commerciale – Diritto dell'Impresa*, UTET, Torino, p. 236.

<sup>3</sup> Ghidini G., *Della concorrenza sleale (artt. 2598 – 2601)*, in *Il codice civile, Commentario*, (by) Schlesinger, Giuffrè, 1991, p. 53 and ff.

the active and the taxable person must, in the same market, offer goods or services which are intended to satisfy the same need of consumers<sup>4</sup>.

One of the categories of unfair competition lawsuit typed by art. 2598, n. 1, is that related to the “slavish imitation of competing products”, which is “confusing with the products and the activity of a competitor”. Apart from well-known subjective elements common to all cases of unfair competition, the Italian monolithic law (as well as the doctrine), which reflects the orientation also present in the People's Republic of China, expressing on the objective elements, considers that the imitated form must be of distinctive capacity, or with reference to the external appearance of a product and must result in a perception by the form consumer who transmits a message<sup>5</sup>. As it has been rightly pointed out by authoritative doctrine, since it is an unregistered form, the party who wants to rely on the slavish imitation of one's product must prove the so-called “qualified” notoriety, derived from its use on the market, and that “becomes synonymous with distinctive capacity, represented in a dynamic way [...] on the purchase of the right to sign” (usually this test consists of all the documentation from which one can draw a form of use on the market: advertising investments, participation in exhibitions etc.). Also in the context of the forms imitation, it must be noted that the jurisprudential trend brought to the general clause of art. 2598 cf. – “it directly or indirectly applies to any other means which does not conform to the principles of professional fairness and are capable of harming the other company” (art.2598, n.3) - the non-confusing imitation of the forms. In particular, the illicit nature of non-confusing imitation of forms is allowed, where such conduct arises in a wider or more qualified framework of competitive unfairness, which may be that determined by wide-ranging copying, but there are still other elements of the case that contradict the duty of professional fairness. I try to analyze and compare with the Chinese trend, a ruling by the Court of Milan that “seems to express this protectionist trend, even in the presence of forms that would not have distinctive character and, therefore, even in absence of confusion between the shapes”. In China, the principal rule of thumb for slavish imitation is art. 5.2 of the Law on Unfair Competition, which provides as follows: “*An operator may not adopt the following unfair means to carry on transactions in the market and*

---

<sup>4</sup> Auletta, Mangini, *Della disciplina della concorrenza*, in Commentario del codice civile, (by) Scialoja – Branca, Zanichelli, 1987, p. 217.

<sup>5</sup> Ghidini, *La concorrenza sleale*, in *Giurisprudenza sistematica di diritto civile e commerciale*, Torino, 2001, 100.

cause damage to competitors: 1) [...] 2) using, without authorization, the name, packaging or decoration peculiar to well-known goods or using a peculiar name, packaging or decoration similar to that of well-known goods, goods are confused with the well-known goods of another person, causing buyers to mistake them for the well-known goods of the other person; [...]”. In China as well as in Italy is therefore required by law that the imitated form is distinctive (and also known in China) and that this may mislead the consumer. Similarly to what happened in Italy even in China, there was a need to extend the protection to cases of no confusion due to the lack of reputation of the imitated form and in this sense reference was made to the general clause provided for in article 2 of the Law against the Chinese Unfair Competition which states “*An operator shall, in transactions in the market, follow the principle of voluntariness, equality, fairness, honesty and credibility, and observe generally recognized business ethics.*” Unfortunately, in this case art. 2 did not find support from Chinese case law as in other cases of unfair competition. In order to complete the reference framework in China, I cite the Interpretation of the Supreme People's Court on Some Matters on the Application of Law in the Civil Procedure of Unfair Competition published in 2007<sup>6</sup>.

---

<sup>6</sup> Here is an excerpt from Art. 2: “*In case the name, package and ornament of commodities is the notable characteristics for distinguishing the source of commodities, it shall be deemed as the typical name, package and ornament as stipulated in Subparagraph (2) of Article 5 of the Anti-Unfair Competition Law. In case of any of the following circumstances, the people’s court shall not ascertain them as the typical name, package and ornament of well-known commodities: (1) the commonly-used name, graphics or model of the commodities; (2) the name of the commodities that just directly specifies the quality, major raw materials, functions, utilities, weight, quantity or any other characteristic of the commodities; (3) the shape produced due to the nature of the commodities, the shape of the commodities that should be produced for the purpose of obtaining technical effects, as well as the shape that produces substantial value to the commodities; or (4) other name, package or ornament of the commodities that has no notable characteristic. In case the notable characteristic occurs upon use under any circumstance as stipulated in Subparagraph (1), (2) or (4) of the preceding paragraph, it can be regarded as a typical name, package and ornament. In case the typical name, package or ornament of a well-known commodity includes the name, graphics, or model common to the said commodity in question, or directly indicates the quality, major raw materials, functions, utilities, weight, quantity or any other characteristic of the said commodity, or involves the name of the place, if it is used by any other party for narrating commodities impartially, it shall be deemed that an unfair competition is not constituted”.*

## 1. SLAVISH IMITATION AND UNFAIR COMPETITION WITHIN ITALIAN LAW

### 1.1 The discipline of patents in the new intellectual property code

“Intellectual Property” is an expression commonly used to denote a bundle or series of rights that protect intangible assets, whose economic importance is fundamental and should not be underestimated. Intellectual property designates the rights recognized by a given system for the patent’s protection for invention, trademark, copyright, ornamental designs and designs, the right of plant’s establishment species and related rights. The rights created and falling under this definition are property rights.

However, these are always mind’s creations as an idea for an invention, a melody and a harmony composed in a musical piece or a given representation with the function of the mark: they cannot, as it would be possible in the case of physical objects, to be protected against the use by other subjects, only through the mere possession of the object. Once intellectual creation is made available to the public, its creator cannot exercise control over it and its use for a long time. This incapacity or inability to protect creation through possession holds the whole concept of intellectual property<sup>7</sup>. Intellectual property has the purpose of encouraging innovation<sup>8</sup> by giving recognition to the creator or inventor and thereby promoting economic and technological progress<sup>9</sup>. Within the great family of Intellectual Property there are legal institutions which aim to offer some form of protection to innovators: those who innovate through the invention of new solutions to technical problems will be able to protect their own efforts through the “patent”; those who innovate by designing valuable aesthetic forms can safeguard themselves through the institute of “models of industrial design”; those who innovate by creating distinctive signs can validly register one or more “trademarks”; those who innovate by the realization. Patents, trademarks, designs and copyrights are the four pillars of intellectual property, but do not exhaust the subject, which is also enriched by the discipline of unfair competition, the protection of know-how and the protection of new plant varieties: it is, however, evident that all these institutes are characterized by some form of innovation

---

<sup>7</sup> WIPO, “Introduction to Intellectual Property Theory and Practice”, Kluwer Law International, London, 1997, p.11.

<sup>8</sup> Singleton S., *European Intellectual Property Law*, Financial Times – Financial publishing 1996, p.14.

<sup>9</sup> Tritton G., *Intellectual Property in Europe*, Sweet & Maxwell, Londra, 1996.

worthy of protection. The so-called industrial property may legitimately be considered a subset of Intellectual Property, in which it is primarily concerned with the protection and enhancement of inventions in the various fields of technology (mechanical, electronics, chemistry, pharmaceuticals, biotechnology...), industrial models (technical and functional improvements of products or their aesthetic forms), trademarks that distinguish products and services in the eyes of consumers. Even in these fields, the protection of inventors' rights is of primary importance for encouraging innovation, employment, competition and thus economic development.

So, three of the four pillars of intellectual property together form the support for industrial property, characterized by a more technical form of innovation. The exclusion of copyright from industrial property's list of institutes has also caused its exclusion from the "code", which is reasonably named "Industrial Property Rights Code". The opportunity for the creation of a "Code of Intellectual Property Rights", was well understood by all legal practitioners, but unfortunately has collided with insurmountable issues of ministerial competence.

### 1.2 The code of industrial property rights and its genesis

From a regulatory point of view, the complex subject of intellectual property, until last year, was split between some generic articles of the civil code and a series of special regulatory provisions dating from the 1940s and since then modified several times to meet social, economic and technical changes. To give a new systematic approach to matter, possibly in accordance with international conventions and Community legislation, the law number 273 of 12 December 2002 on measures to encourage private initiative in the development of competition, planned a series of "provisions on industrial property", among which the main ones are the delegation for the establishment of specialized sections (Article 16) and the delegation of "industrial property reorganization" (Article 15). As if to say that the need to prepare a unitary code did not emerge from contingent normative requirements, but was a measure of a structural nature. The work of the Commission originally resulted in a first draft of July 2003, which contained a text of 236 articles. This was followed by a second, dated December 2003 (241 articles), a third, dated February 2004 (244 articles) and a fourth of July 2004 (246 articles). The final text of the Industrial Property Rights' Code became the norm in force, with the approval of

Legislative Decree number 30 of 10 February 2005. The corpus consists of seven heads (in addition to the eighth, dedicated to the transitional and final provisions) and 246 articles, which will repeal and replace more than 40 different legislative provisions.

Systematic reorganization of industrial property rights has been made to align the Italian order with the one accorded in the TRIPs, which constitute a complementary agreement to the GATT negotiations within the World Trade Organization. This model has been chosen because it has become an essential element of a market economy that, with the Trips Agreement, has become a real status of the globalized economy, as this agreement is designed to convince and force all the states, participating in the World Trade Organization, to ensure in their territories the minimum level of protection of industrial property, according to the agreed requirements. In other words, the delegated legislator has chosen a model intended to become the reference to all national laws in a context such as that of the World Trade Organization. Based on this model, the Code did not merely unify the 40 laws and innumerable other measures, but it has also rebuilt in a new and modern framework the systematic links that connects the multiple industrial property rights.

The first and most important consequence of this fundamental choice was to bring it into the category of industrial property rights that were previously protected by the rules on unfair competition, if they possessed a self-sufficient objectivity to be included in a proprietary protection scheme. The concept was expressed in article 1 of the Code, entitled “Industrial Property Rights”, which lists such objects as trademarks and other distinctive signs, geographical indications, designations of origin, designs, inventions, utility models, topographies of semiconductor products, confidential business information and new plant varieties.

The first consequence of this operation was to expand the category of industrial property rights in relation to its definition in the previous discipline, since it confers rights that were previously protected by rules against unfair competition. The rules on unfair competition in art. 2598 - 2601 c.c. constitute the foundation of a right of loyalty to competition which, in its essential features and sanctioning, does not differ from industrial property rights. It must therefore be agreed that a trade mark is an industrial property, as a registered trade mark is, that confidential business information is the subject of industrial property, as it is a patented invention, and so on. This is the model that can be

deduced from the TRIPs Agreement, from which emerges the idea that the protection of unfair competition has different and antagonistic interests than that of the holder of the right and the idea that such relevance can underline a distinction over the dominical setting.

Moreover, an extension of the dominical approach to industrial property does not raise any concern because, in the current evolutionary phase of national law, consumer protection is organized on the basis of special institutes, which are awaiting their separate code, while the other antagonistic interest, called the interest of the community in a free and efficient competitive market, is guaranteed in all national and also Italian law by the Antitrust Law: both of these antagonistic interests are finally guaranteed by the control of independent authorities whose function is foreign to the protection of industrial property. A general category of industrial property rights was rebuilt, in the view of an absolute protection able to confer exclusive rights with an objective reference, it was necessary to distinguish those rights, by contrasting those which were called “titled” because they could be purchased by patents or by registration, from all others that are not titled, and so protected by the legal requirements: assumptions that do not necessarily have to be consecrated in the same industrial property code. The art. 2, according to the language and the international and community asset, distinguishes between industrial property rights patented such as inventions, utility models and new plant varieties; industrial property rights registered such as trademarks, designs and topographies of semiconductor and, finally, not titled industrial property rights such as distinctive marks, different from the registered trademark, including domain names, confidential business information, geographical indications and origin names. The articles 1 and 2 of the Code are the basis of its structure, with the specific aim of giving it organic unity and coherence. The art. 3 (Treatment of the foreigner) brings together in a single provision all the rules previously contained in the various special laws. The principle is that of equality treatment between Italian citizens and foreign nationals, without conditions when it comes to foreign nationals states, which are party to the Paris Convention for the protection of industrial property or the World Trade Organization and subject to reciprocity in other cases, provided that all the benefits that international conventions, signed and ratified by Italy and recognized to the foreigner within the State, are automatically extended to Italian citizens.

The overall judgment on the Industrial Property Code can only be positive. It is a work of considerable proportions with which the aim is to give homogeneity to the system and to check its relevance and correspondence to the changes and needs of the country. It is recognized the usefulness of consultation facilitation compared to the need to consider previously 39 separate and distinct laws, some dating more than 60 years ago. For the moment there is, however, a consensus among industry operators on the adopted text and it is believed that it can make a significant impetus to the world of research and innovation. The overall verdict on the code of industrial property can only be positive. The code responds to the aim of simplification and changed the presentation of the rules, which follows the organization of the TRIPs and in this way, has internationalized its shape, providing everybody a simpler legal language, because already known.

#### 1.2.1 Patents for invention

One of the most significant factors in the evolution of humanity is the extraordinary ability to share knowledge of individuals. In order to progress, it is necessary to make available to everyone the knowledge to which individuals aroused, spontaneously rather than through an applied study. Knowledge sharing was up to a spontaneous moment, as long as it risked slowing down the development of new concepts, so that rules have come about that mankind has ever given up. The idea that the inventor creates and claims to exploit, for himself and indefinitely, his discovery; the collectivity that with its rules demands the spread of knowledge and in return recognizes the ingenious citizen a limited period of time in which to benefit, with the exclusive title of its invention, are at the basis of all the modern patent system. The patent privilege institute is far from being an obstacle to technical and scientific development. On the contrary, it is aimed at encouraging development as a result and in terms of dissemination of knowledge. With the industrial civilization, the need to regulate inventive activity was realized before a few and isolated ingenuities and, then, increasingly widespread and organized. Therefore, states have created rules to welcome, protect, and encourage new discoveries and inventions.

### 1.2.2 The function and nature of the patents

The patent right consists in the exclusive right of the holder to implement the invention and to profit within the territory of the state: the inventor can profit directly from the invention, exploiting it in a monopoly or, indirectly, by yielding to others for a fee the right to use it. The subject of a patent is a procedure, the patent owner will have the exclusive right to apply it, as well as to place on the market, sell or import the product produced by that patent. However, the right to product marketing is limited to the “principle of exhaustion”, according to which the holder of the patent cannot prevent the dispositions of the product, following the first marketing, which has taken place with his approval. This principle has been raised by the code generally applicable to all industrial property institutions.

The right to exploit the invention for which the patent is sought is the exclusive one. The invention is protected as the original solution of a technical problem: the product or process itself is not protected, but the use and function they perform. The product patent does not cover any possible use of the product; the product is protected only in so far as it serves to solve the technical problem of them is referred to in the patent application: the product is the means and not the end of the protection. One third could use or even patent the same product in relation to a different use: it is the so-called “translation invention”, whose feature is the application of an idea to solving a technical problem other than that for which it had been processed. Thus, if somebody patented a new glue, the day that others discovered the enamel properties of such glue, it could legitimately claim a patent on that utility and then produce and market the same substance in the different enamel function. The scope of the patent, and therefore the substantive scope of the exclusive, are determined according to the patent application: the coverage width of the patent exclusive (the boundaries of the invention) is determined by the claims contained in the patent application, interpreted in the light of the exclusive exploitation right, obtained following the patenting of the invention lasts for 20 years, as of the filing date of the patent application. This time limit is not accepted and the regeneration of the patent is not allowed because of the law.

From the moment of discovery or invention, the inventor will have to decide whether to patent or not what he has designed: it is convenient to keep the secret and possibly risk that others may come to the same solution, or it is better to fill in a patent application,

with the consequent obligation to make public what is invented and to make it accessible? It will of course be necessary to carefully evaluate the case: if the subject can deal with the subject easily, it is certainly preferable to opt for patenting, thus ensuring at least a period of absolute monopoly. On the contrary, in many simple and direct disclosure of an invention, that would probably not be deciphered and therefore counterfeited by any competitor. Often, these are inventions relating to the manufacturing process which, even through careful analysis, could not be disclosed and therefore re-proposed. Issuing a patent is a kind of contract between the subject that must be patented and the community: the first makes its inventions available, offering the community an adequate and appropriate description, so that the public can enjoy the benefits of the patent; the company remembers the inventor for his contribution to the collective heritage, through the assignment of an exclusive right, limited in time. Obviously, this type of protection will not be granted to anyone who claims to have invented something, but only to those who can demonstrate that his/her innovation has some requirements asked by the law that grants it. As patents for inventions belong to the big family of intellectual property, they certainly share the other privatization rights, the same role in the national and international commercial scenario.

In general, industrial property contributes to economic growth and development, and thus improves the well-being of the population. Privatization rights encourage research activities to push companies and inventors to invest time and money in exchange for the opportunity to obtain rewards for their efforts. Many countries, however, believe that the existence of privatization rights is an insurmountable obstacle for the local industry and benefits only large industrialized countries, but many scholars and the World Trade Organization argue exactly the opposite: in Italy and In Japan, for example, the pharmaceutical industry has begun to thrive following the establishment of effective protection for drug patents; so in India, the local software industry has developed exponentially through the application of copyright laws. Obviously, innovation must not be limited to a few states: everyone can and must participate to benefit and gain from the increases in trade, but this is subject to the existence and application of adequate safeguards of intellectual property's rights. Specifically, the entrepreneur who invests and

innovates and the community which benefits from company's inventions have a common interest<sup>10</sup>: preventing the protection of innovation being entrusted to corporate secrecy.

This dual concern is the basis of the patent institute. The idea that the patent favors technical progress is based on three reasons:

1. the patent system is an incentive and a stimulus to inventive activity, because it promises the holder an exclusive right for a long period of time;
2. it allows the inventor to choose protected disclosure rather than corporate secrecy, to the benefit of the community;
3. Upon payment for the right on inventions, this system allows a circulation which permits them to exploit inventions quantitatively and optimally. Many criticisms have been raised on these topics over time, one of these argues that the anti-competitive nature of the patent system makes it an obstacle rather than an incentive to the whole economic system. In general, however, the first argument outlined above has been prevalent, giving to the patent a positive value for the benefit of both the inventor and the collectivity.

#### 1.2.5 Types of patentable invention

Not all inventions and discoveries are patentable. The law organizes analytically what can be patented, to those who are entitled to the invention, how is the patenting procedure, what rights confer the patent and how these rights are protected, how the patent exploitation's rights can be sold etc. Anyone who thinks that they have created a patentable invention can first ask the appropriate commission to inquire if its work satisfies all the prerequisite, required for patents.

Lawmakers in all countries that possess rules on it, trying to create patents as secure and simple as possible, laid down strict conditions for the granting of rights: in the same direction, the community legislature has been working to draw up the rules for the management of the matter, in European terms, by defining the substantive law contained in the European Patent Concession Convention concluded in Munich on 5 October 1973.

---

<sup>10</sup> The patent is useful to community because it ensures the same fixed acquisition of the invention to the collective heritage. Since the patent release is subject to the complete and precise description of the invention by its inventor, whatever happens to him, the community will be protected and the invention will not be lost. Obviously, if the patent office did not exist, the firm would be encouraged to keep the business secret, with the hope that nobody finds its formula, making a great damage for the community.

The legal order says that can be patented those new inventions which involve creative activity and have an industrial application<sup>11</sup>. An invention may be a discovery or a progression of industrial processing, machine, tool or mechanical device, product or industrial result; also, the technical application of a scientific principle, if it has immediate industrial results; but the patent right is limited to the specific results mentioned by the inventor.

The list of what may be patented has a purely exemplifying nature: it is a system open to new typologies of inventions, subject to the exclusions expressly provided by the law. The list of what is not a patentable invention is rather peremptory, and includes<sup>12</sup>: discoveries, scientific theories, and mathematical methods; plans, principles and methods for intellectual, gaming or commercial activities and computer programs; presentations of information. In addition, methods for the surgical or therapeutic treatment of the human or animal body and the methods of diagnosis applied to the human or animal body are not considered as inventions<sup>13</sup>.

In general, at community and national level, for patentable invention three elements are required<sup>14</sup>: industrial nature, novelty and originality. When even one of the above requirements is not met, the invention is not likely to be protected by patent. Patents cannot, however, be inventions whose implementation would be contrary to public order or goodwill.

According to the law, an invention is new when, at the time of filling in a patent application, it is not included in the state of the art. The “state of the art” is all that is made available to the public on State territory, in which patents are required, or abroad, prior to the patent application, through a practical use, oral or written description or any other means. The invention is believed to be accessible to the public when, at the time of filling in a patent application, there are predetermined features of the invention (subject to the

---

<sup>11</sup> Article 45 of the Industrial Property Code specifically states that “new inventions involving an inventive process and able of having an industrial application can be subject to patent”.

<sup>12</sup> Art. 45, clause 2 of Industrial Property Rights’ Code.

<sup>13</sup> Casucci G.F., *Invenzioni non brevettabili. Metodi chirurgici, terapeutici o di diagnosi*, in *Diritto Industriale* 1996, p.658.

<sup>14</sup> On the patentable inventions’ requirements see Rocco G., *Come depositare brevetti e marchi. Procedure, modelli, registrazioni, convenzioni internazionali, posizione dell’OMC*, Giuffrè, Milano, 2011, p. 9; Singer R. & Singer M., *Il brevetto Europeo. Traduzione e riferimenti alla legislazione italiana di Benussi F. Prefazione di Sena G.*, UTET, 1993, P. 91; Cottino G., *Diritto Commerciale, Volume Primo, Tomo Primo, Terza edizione. Imprenditore, impresa ed azienda. Segni distintivi, brevetti e concorrenza*, CEDAM, Padova, 1993, p.336.

prior right). An invention that has become accessible to the public is acquired in the state of the art, the cultural heritage of the community, and there is no longer any reason to benefit from the inventor of an exclusive exploitation right. The novelty influences all the elements of the invention, which should not have been revealed to the public by the inventor or any other person. The only exceptions to this rule, laid down in Paris Convention of 1928, is linked to cases where disclosure was made as a result of obvious abuse perpetrated by the inventor. We can talk about the destructive anteriority of the patent's novelty when, on the date of filling in a patent application, it has already been published in Italy or abroad and for the same invention. If patent applications, that are not yet published (the inventor could not have known the idea of others), hypothetically don't represent any anteriority, the need to avoid the contradiction of granting two exclusive exploitation rights on the same invention requires that to consider as anteriority the unpublished applications of Italian patents, European patents or international patents, including Italy.

It also constitutes an overriding advantage of granting a patent, the use which others have already made of the invention at the time of filling in the application: this is the so-called "prior-use of the invention", which prevents the patenting of the invention only in the extent to which it made it known to the community. The so-called prior-use right, protects those who, in their company, employed and keep secret the invention, subsequently patented by others. The inventor may prefer to use the idea in secret rather than patenting it, however, running the risk of news escalation or that others reach the same invention and ask for the patenting. The law provides that with the prior-use right, the first inventor may continue to exploit the invention, within the limits he already used it. The prior-use right is granted only if there has been use of the invention in the twelve months preceding the patent application of others.<sup>15</sup> The user cannot prevent anyone from using the invention because this right derives only from patenting and cannot give up the right to others than with the company or branch of the company to which the invention belongs. The prior-use right is also granted to those who have started, or have made serious and

---

<sup>15</sup> Art. 68, clause 3, states that "everybody, during the twelve months prior to the filling in the application patent date or to the priority date, has employed the invention in his/her company, can continue to use it within the limits of prior-use. This faculty is transferable only with the company in which the invention is used. The proof of the prior-use right and of its extension is borne by the prior user.

effective preparations to use an invention after the grant of a compulsory license, subsequently revoked.

Prior divulgation emerges when the inventor or a third party, prior to filling in a patent application, brings the invention to the attention of the public: this is usually the case when the inventor describes his findings in newspaper articles, conferences, private talks. An invention that is disclosed by the inventor to persons who are not obliged to keep the secret is considered accessible to the public, when they are able to understand what is communicated to him or at least to retransmit him to those who have such a capacity. It does not, however, constitute prior divulgation the revelation of the invention to persons held to keep the secret: a typical case, the patent counselor who is commissioned to evaluate their patentability. But if these are less confidential and the invention becomes accessible to the public, the possibility of obtaining patentability is irreversibly lost.

The state of technique to be considered to assess the novelty of the patent is global. So, in addition to Italian patents, in the evaluation of novelty will be also evaluated the various national patent systems, the European Patent and the International Patent. The practical relevance of this rule is that from the day of patenting to another system, the inventor will have the opportunity to decide within a year whether to include Italy among the countries in which to safeguard and exploit its invention. The Industrial Property Rights Code has led to a major innovation in the field of priorities, making it a generally valid principle for all Intellectual Property rights and coordinating the earlier provisions<sup>16</sup>. The state of technique is also involved in evaluating the second requirement regarding inventive activity. Indeed, since the invention is patentable, it is not sufficient it has not been disclosed to any part of the world before the application is submitted. It is also essential that it provides a minimum contribution to the state of technique and that it is not a simple deduction from the already acquired knowledge, easily perceived by any expert in the

---

<sup>16</sup> Art. 4 states that: “Anyone who has filled, in or for a State part of an international convention, ratified by Italy, which recognizes the priority right, a direct claim for an industrial property right or its lawyer, enjoys of a priority right from the first application for filling in an application for a patent, utility model, privatization of a new plant varietal, registration of a design or a trade mark, in accordance with the provisions of art. 4 of the Paris Convention. The priority period is twelve months for invention patents and utility models and plant varieties, six months for designs and trademarks. It is recognized as eligible to give rise to the right of priority for any deposit with a regular domestic deposit value the date on which the first application was filled under the national law of the State in which it was made, or bilateral or plurilateral agreements, whatever the result of that question”.

branch<sup>17</sup>. This is because the law wants the idea not only is new, but also represents an appreciable technical advance compared to the previous technical situation<sup>18</sup>. The judgment of originality does not take place during the process leading to the granting of the patent application, but there are third parties who consider the patent lacking originality or not.

The third requirement is more immediate to understand: the invention may have industrial application if its object can be manufactured or used in any enterprise, including agricultural ones. Concretely and for practical purposes, it can be said that judges evaluate industrial nature on the basis that the invention can be reproduced in a constant and technically feasible. An invention is considered illicit by law, and therefore not patentable, when its implementation would be contrary to public order or good habit. When a patent is not implemented or is inadequate and sufficient, the licensee may be asked to grant a license and, where he/she refuses, contact the competent authority, the Patent and Trademark Office in the Italian case, which may require to the holder of a license, called “mandatory”, given the administrative intervention. When the competent authority establishes the existence of these requirements and the absence of any impediments, a patent right will be granted, which will have a duration determined by the law of the granting State, usually twenty years, which is not renewable.

### 1.3 The acts of unfair competition: typical cases

The Italian legal system recognizes two legal concepts that may be traced back to the general concept of “unfair competition” (broadly construed), i.e.:

- “unfair competition” (narrowly construed), deriving from Article 10 bis of the Paris Convention 1883, whose current main relevant legislation is Article 2598 of the Italian Civil Code;

---

<sup>17</sup> Important indices of originality may be: the major or minor utility of the invention; the amount of time elapsed since the invention would have been apparent when it was realized (more time has passed and less sustainable is the idea of evidence); the presence of a previous and unsuccessful research activity of others in order to realize the same invention; the success achieved ex post by the invention for causes related to its utility. In pharmaceutical inventions, judges find their originality in knowing that, by altering already known substances, other substances with useful properties are available.

<sup>18</sup> Art. 48 of the Industrial Property Rights Code.

- “unfair commercial practices”, deriving from the European Directive 2005/29/EC, whose current main relevant legislation is the Consumer Protection Code 2005, as amended.

Art. 10bis of the 1883 Paris Convention for the Protection of Intellectual Property<sup>19</sup> establishes that “(1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition. (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition. (3) The following shall be prohibited:

- all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
- false allegations during the trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
- indications or allegations the use of which during trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods”.

Article 10 of the Paris Convention focuses on a corporative model, aimed at protecting individual business in competition. Subsequently, however, unfair competition law evolved to a social or institutional model, aimed at protecting consumers and public interest also. Since paragraph 3 of art. 10bis lists many different examples of unfair competition acts, it allows to interpret the entire Article in line with the new social and institutional model also, despite its origin. In addition, in recent years international standards have been created in line with the new social and institutional model, aimed at protecting consumers and public interest also<sup>20</sup>. 175 states are parties to the Paris

---

<sup>19</sup> See Paris Convention for the Protection of Industrial Property, 1883, UNTS, Vol. 828, p. 305 ff. For a list of States parties see the official website of WIPO at (last accessed 29 August 2014); See Frauke Henning-Bodewig, *International Protection Against Unfair Competition – Art. 10bis Paris Convention, TRIPS and WIPO Model Provisions*, IIC 1999, p. 233–241; Frauke Henning-Bodewig, *International Protection Against Unfair Competition*, in: F. Henning-Bodewig (ed.), *International Handbook on Unfair Competition*, Munich 2013, p. 9 ff.

<sup>20</sup> See Pedro De Miguel Asensio, *The Private International Law of Intellectual Property and of Unfair Commercial Practices: Convergence or Divergence?*, in: S. Leible/A. Ohly (eds.), *Intellectual Property and Private International Law*, Tübingen 2009, p. 165 ff.

Convention, including all EU Member States and Switzerland. Thus, art. 10bis of the Paris Convention harmonizes the substantive laws of most of States of the international community. Furthermore, the TRIPs agreements incorporate the Paris Convention by reference and establishes additional standards and specific references to unfair competition acts related to geographical indications (Art. 22) and undisclosed information (Art. 39)<sup>21</sup>. All WTO Member States are parties to the TRIPs agreement, and therefore 159 countries, including all EU Member States and Switzerland<sup>22</sup>. Thus, the TRIPs agreements further harmonize the substantive laws of the majority of States of the international community.

In the art. 2598 cc, which is the main source of law on unfair competition, there are the behaviors that constitute the main acts of unfair competition. The first rule identifies two broad types of illicit conduct:

- a) acts of confusion;
- b) acts of denigration and the appropriation of other people's virtues.

Generally speaking, it is considered as an act of unfair competition "any other means which does not comply with the principles of professional fairness and is likely to harm the other's business" (n .3).

### 1.3.1 The acts of confusion

Any act or practice, during industrial or commercial activities, that causes, or is likely to cause, confusion with respect to another person's enterprise or its activities, in particular, the products or services offered by that enterprise, constitutes an act of unfair competition.

---

<sup>21</sup> See Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs), Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, (signed in Marrakesh, Morocco, 15 April 1994) available at (last accessed 29 August 2014). The TRIPs agreement incorporates various IP conventional norms by reference, including the principles of territoriality and national treatment. However, the TRIPs agreement also «departs from the long tradition whereby international IP conventions confined themselves to imposing on Members only negative obligations, in particular by requiring national treatment of foreigners, and takes the unprecedented step of mandating positive obligations, including most-favoured nation treatment and greatly expanding minimum IP protection standards». See Marco Ricolfi, *The First Ten Years of the TRIPs Agreement: Is There an Antitrust Antidote Against IP Overprotection Within TRIPs?* 10 *Marquette Intellectual Property Law Review* 2006, p. 305 ff. See also Marco Ricolfi, *The Interface between Intellectual Property and International Trade: The TRIPs Agreement*, *Italian Intellectual Property* 2002, p. 29; Christopher Wadlow, *Including Trade in Counterfeit Goods: The Origins of TRIPs as a GATT Anti-Counterfeiting Code*, *Intellectual Property Quarterly* 2007, p. 350 ff.; Frauke Henning-Bodewig (supra note 1), p. 233; Pedro De Miguel Asensio (supra note 2), para 1.

<sup>22</sup> For a list of States parties of the WTO and therefore of the TRIPs agreement see the official website at (last accessed 29 August 2014).

(2) Confusion may be caused with respect to (a) a trademark, whether registered or not; (b) a trade name; (c) a business identifier other than a trademark or trade name; (d) the presentation of a product or service; or (e) a celebrity or well-known fictional character. The art. 2598, n. 1, identifies the so-called confusing acts, that are those unlawful conducts able to cause confusion in the market with the products or the competitor's activity. It is legitimate to attract other customers, but it is not allowed through means that can mislead the public about the origin of products and the personal identity of the entrepreneur. These means are unfair as they exploit the success that competitors gained in the market, creating misunderstandings and misappropriation of other customers. The legislator explicitly identifies two of the many practices and techniques that an entrepreneur can use to create confusion:

- 1) the use of proper names and distinctive signs to produce confusion with the names and distinctive signs legitimately used by others.

In this case, confusion concerns all the distinctive signs (brand, firm, reason or denomination, symbol, emblem and any other atypical sign) that can be used in business.<sup>23</sup> Confusion can also relate to signs that are not protected by other provisions (for example, an advertising slogan or the "domain name" of an Internet site) and in that case the individual's value can only be defended by invoking the application of discipline of unfair competition. It should be noted that the acquisition of rights of distinctive signs (typical or atypical) consists in the use of the signs themselves, in their actual use to the market. Consequently, the act of unfair competition is the mere registration of a confusing mark with the other, where it is not accompanied by its use. Moreover, there is no confusion between the distinctive signs when the word used by both entrepreneurs corresponds to that used by all the traders in the branch to distinguish all such products from anyone manufactured and marketed.

---

<sup>23</sup> Ghidini G., *Della concorrenza sleale (articles 2598-2601)*, in *Il codice civile, Commentario*, (by) Schlensinger, Giuffrè, 1991, p.53.

The other unfair competition for confusion considered by the legislator consists of:

- 2) the slavish imitation of the competitor's products, namely the reproduction of the products of others, to induce the public to believe that the two products (the original and the imitated) come from the same enterprise.

It should be noted that the term "product" refers to the object of production or trade exercised by the entrepreneur, so the notion includes not only the substantial part, the internal, and hence the content, but also the formal, external one, and hence all the effort from the entrepreneur (for example, wrapping, packaging, coating or even the product in its overall appearance). Formal imitation must, however, refer to unnecessary and at the same time characterizing formal elements that are suitable to differentiate that data produced by others of the same kind in the eyes of the specific clientele to which they are directed (for example, the form or color). We cannot therefore speak about slavish imitation and the competitive discipline does not apply when we imitate common or standardized forms that can be found in every product of that kind, that is, imitation of a generalized, widespread, standardized form. It follows that the rules on unfair competition can only protect forms which have individualizing and diversifying the product's effectiveness compared with others.

Thus, in other words, there is unfair competition when imitation concerns external forms which, because of their novelty and originality, constitute the individuality of a product, making it known to the specific clientele to which it is destined. The prohibition of slavish imitation also extends to any type of product, without any gender distinction, regardless of its main character or accessory. Finally, the last part of art. 2598, n. 1, c.c. outlines a general clause of residual scope that prohibits, by any means (outside the abuse of distinctive signs and slavish imitation) of acts capable of creating confusion with the products and activities of a competitor by creating, therefore, misunderstood in the market. The jurisprudence application of that clause has been extended to a variety of cases including the imitation of advertising media, price lists, catalogs, external appearance of sales premises, where this may create public misunderstandings.

### 1.3.2 Slavish imitation as unfair competition's act

The legal concept of slavish imitation (slavish copying) of a product or achievement, which is not covered by a specific intellectual property right is known in a certain number of countries, however, not in many others and it is rarely expressly mentioned in the law. Slavish imitation as such is expressly forbidden in a small number of these countries, only; in other countries, it is prohibited under certain circumstances, if there is a risk of confusion. Some of these countries prohibit slavish imitation, independently from a risk of confusion, if somebody takes undue advantage of the reputation or expenditure of his competitor.

Slavish imitation cannot generally be prohibited if it is technically necessary and some countries extend such exclusion from the possible prohibition of slavish imitation also to shapes having aesthetic functionality. Cases of slavish imitation can relate not only to a product, but also to the presentation of a product or service; some countries draw a distinction between cases of a slavish imitation, where the imitation is achieved by the imitator's own efforts, and direct appropriation with the help of modern means of reproduction technology, the latter being more likely to constitute an act of unfair competition.

The concept of slavish imitation as a separate act of unfair competition has been developed in several countries of Europe. This kind of unfair free riding is usually regarded as an exception to the general rule of free appropriation in the area of products or indications that are not protectable or for which protection has lapsed under specific legislation, or where there is no likelihood of confusion as to the source of the products. In the absence of likelihood of confusion, the specific circumstances of the case must reveal some exceptional character for the act to be deemed unfair. Usually the unfairness is seen in the lack of research, investment, creativeness and expense on the part of the imitator, who has merely copied the achievement of another, even though alternative ways of competing effectively were available.

The imitated products or indications would still have to possess distinctiveness, which must not merely derive from technical features necessary for the product to function properly, but must concern aesthetic or decorative features that leave sufficient room for alternative shapes and designs. Not all prerequisites of slavish imitation are equivalent in all countries, however. Apart from that, the qualifying circumstances may sometimes be

combined with the concepts of dilution, misappropriation of reputation or “parasitic competition.” Frequently, there must be a marked contrast between the efforts made by the competitor to develop acts of unfair competition.

One statutory example of a provision against this kind of unfair misappropriation is to be found in Article 5(c) of the Swiss Law Against Unfair Competition, which specifically treats as unfair any act which, by means of technical reproduction processes and without any corresponding effort, takes the marketable results of the work of another person and exploits them as such. There is a similar provision in Article 11(2) of the Spanish Law on Unfair Competition, which considers imitation of the achievements of another to be unfair if undue advantage is taken of the other’s goodwill or efforts. Acts of slavish imitation should be distinguished from acts of so-called “reverse engineering”. The latter is generally understood to consist in examining or analyzing, by taking apart or decomposing, a product or substance in order to understand its structure, composition or operation and find out how it was made or constructed, and subsequently producing an improved version of the product or substance. The practice of reverse engineering is commonly practiced in industry relating to the products of competitors, with the purpose of learning the technology they embody, and eventually producing a competing (improved or different but equivalent) product. In fact, it is part of the normal exercise of competition in a free market environment which, in turn, is based on broader public policy considerations. The practice of reverse engineering is, therefore, not in and of itself unfair; nevertheless, the product or other result obtained through reverse engineering may, under certain circumstances, constitute an infringement of an industrial property right. For example, if a product made after reverse engineering of a competitor’s product falls under the claims of a valid patent (where appropriate, considering the doctrine of equivalence), that would constitute patent infringement. If a patent is not infringed, but the way the original product was copied is found to be dishonest or unfair (regardless of whether reverse engineering took place), the relevant acts might still be actionable on grounds of unfair competition.

So, the Art. 2598, n. 1, provides that (in addition to the imitation of other distinctive signs) is an act of unfair competition the slavish imitation of the product by a competitor. The reference to “any other means” leads to the conclusion that the prohibition of slavish imitation is also in place to protect the specific interest in the need not to create confusion

on the market regarding the origin of the products. Prohibition of slavish imitation means, in other words, prohibiting entrepreneur A to imitate the product of its competitor B, by creating the conditions for the prerequisites of the product to purchase the product of A, believing that it is the product of B<sup>24</sup>. Imitation of A competitor's product will be legitimate if appropriate measures have been taken to eliminate the risk of confusion. It should be emphasized that the free appropriation of the product of others (except in cases where there is a risk of confusion with the activity of competitors or where intellectual property rights exist) finds, within the framework of unfair competition, the major exception to parasitic competition, which is the involvement of one's activity to that of competitor through a systematic imitation of its products and / or its entrepreneurial initiatives.

If it is necessary to verify whether a product has been imitated with the consequent risk of confusion, it is necessary to specify what is meant by "slavish" imitation, what is meant by "product", how to determine if there is a risk of confusion and finally, which category of subjects should be taken as a reference for making such a judgment. Regarding the specification of the adjective "slavish", the attribute does not seem to be of particular significance, merely reinforcing the concept of reproduction of a competitor's product. More important, however, is the identification of the object of imitation, in other words, of what is imitated. Since the object of the rule is to prevent the imitation of competitors' products, if this has the effect of confusion, even potential, imitation will be all that can cause confusion and ultimately only the external form or its packaging. The risk of confusion that is to be avoided can only be caused by the reproduction of the external shape of the product, not the characteristics that are not immediately perceived by the purchaser (hence the internal structure of the product rather than the composition of the product). If, though having a different internal structure, the product has the same outer shape as another product already in the market, there may well be a hypothesis of unfair competition for slavish imitation. There can be no slavish imitation if the structure or

---

<sup>24</sup> Slavish imitation is a hypothesis of unfair competition and the possibility of confusion concerns the products' origin. So, the protection can only be established if the customer is not able to recognize the origin of the identical products. (App. Milano, 26/10/1999, in G.A.D.I., 1999, p. 4029)

composition of a product is imitated, but the external presentation is such that it is impossible to cause confusion in the eyes of consumers<sup>25</sup>.

It must be pointed out that, given the objective of the rule, the risk of confusing the packaging of the product must also be avoided: for example, we can consider the hypothesis of detergents from different producers but presented in so similar packages that a special attention, to identify the different sources of origin, is required. The fact that imitation must concern the external form of the product does not exhaust the problems imitation. Not any form, if imitated, creates a confusing effect, but only those that are such as to identify the company from which they come. Since imitation of a widely used form in the commodity sector cannot give rise to any expectation on the origin of the product from a company rather than another one, it must not be a “trivial” or a “standardized” form, but an individualizing one. In other words, it is necessary that the product has distinctive abilities, and is suitable to bring the product back to a specific enterprise. Finally, in order to create the risk of confusion, the product, besides being new and original, must be to some extent known by the public, as in this way: the priority presence of that article on the market with the time consolidated in the taste of the public for the notoriety and originality that distinguishes it from the anonymity of lines, shapes and colors, adopted in the similar products of competitors, gives to the ornamental form of the product also a distinctive function by encompassing the consumer what is its origin, that is to say the enterprise whose style or design is recognized”<sup>26</sup>.

In assessing the existence of a specific confusing act, the judges are required to determine whether, given a product which alters, in total or not, the external shape of another product on the market, the similarity between the two products is such that it deceives consumers about the company from which the products come from. This assessment shall cover the confusion and the imitation on the suitability of a competitor's product to determine confusion, not on the confusion itself. This means that the fact that there have been concrete cases of "deceit" by the recipients of the product will not prove that there is confusion, but it will only constitute an index to that effect. At the same time, the lack of

---

<sup>25</sup> The authenticity of a product and its imitation is not enough to integrate the slavish imitation's hypothesis because the proof that such imitation creates confusion, influencing the formal elements that are used to distinguish the product on the market, must be provided.

<sup>26</sup> App. Milano, 10/06/1997, in *Giur. Ann. Dir. Ind.*, 1997, p. 3760.

specific episodes of confusion in the assessment by the court will not be enough to avoid the harmful potential.

The Art. 2598 n. 1 states that people which committed unfair competition are even those who “by any other means are able to create confusion with the products and the activities of a competitor” and introduces a general expectation through which are considered incorrect all those acts, besides the imitation of distinctive signs and slavish imitation, which have a confusing effect (even potentially only). Many judges found that the imitation of a competitor's advertising material is an act of confusion. In this case, a recent sentence on the imitation of a competing company’s brochure can be cited.<sup>16</sup> The act was considered unfair, since it is a mechanic reproduction of the outer setting of the brochure’s central page, without attempting any form of appreciable variation. The formal elements of a brochure, even if not original, however, are an appropriate combination to distinguish and characterize the advertising presentation. In the present case, the two brochures appear indistinguishable to a whole view, also because the buyer does not have at the same time the two brochures available, so the assessment of the confusion can only be made by considering the comparison between a brochure and the memory than the competitor brochure the potential customer can have.

### 1.3.3 Right to a fair corporate communication

The second large category of unfair competition acts typified by the legislator of art. 2598, n. 2, includes:

1. acts of denigration, consisting in the dissemination of “news and appreciation of products and activities of a competitor, capable of determining their discredit”;
2. the appropriation of the advantages of a competitor’s products or competitor’s enterprise.

The legislator, however, unlike in n. 1 of the same article, by regulating the right to a fair differentiation on the market, did not include a specific general clause in the provision: the consequence is that, while unfair competition for confusion is regulated in a completely self-sufficient manner, unfair competition, which is achieved by corporate communication, is governed by the interaction between the typical cases of commercial

denigration and the appropriation of claims contained in n. 2 of the art. 2598 and the general clause of non-compliance with the principles of professional fairness, set out in n. 3 of the same article. In both cases, common is the purpose of distorting the comparative estimation's elements of the public (consumers and other entrepreneurs), through communications addressed to third parties and, first, by using the advertising weapon. With denigration, usually we tend to put competitors in a bad light, damaging their commercial reputation. With honor, however, we tend to artificially increase its prestige by attributing to its products or to its activities and qualities that belong to one or more competitors.

The first part of art. 2598, n. 2, prohibits the dissemination of news and appreciation of products and activities of a competitor to determine their discredit. The art. 2598 prohibits any denigration claim, whether it is false or because it is truthful, but disclosed in a way that it discredits its competitors. In other words, the absolute ban of “talking badly” about the products and the competitor’s activity incites manufacturers to limit their company communication to the illustration of their products and services and, at the same time, it imposes on them not to refer directly to the products and competing services. In this sense doctrine and jurisprudence were mostly oriented, until some time ago.<sup>27</sup> Nevertheless, it is increasingly important to consider that criticism and comparison are only a breach of competition, when the supposed facts are false. The truthful comparative advertising would be allowed if it is based on strictly true and objectively verifiable data. There are several practices that can be traced back to the scheme of unfair competition for denigration; first and foremost, distrust and disclosure of information that may discredit a competitor's commercial reputation (financial difficulties, poor experience, scarcity of punctuality ...) or appraisals directly related to judicial events, provisional measures (precautionary measures) and definitive ones (judgments). The holder of a right (such as an exclusive trademark or patent right), asks the consumer or intermediaries freely to refrain from buying or marketing some products designated as counterfeit constituents of the exclusive right. With the formal notice, the right-holder states that a court action intervened, which provisionally or definitively provided the protection of the law against those who violated it.

---

<sup>27</sup> Ascarelli T., *Teoria della concorrenza e dei beni immateriali*, Giuffrè, Milano, 1960, p.239; Minervini G., *Concorrenza e consorzi*, in Trattato d. civ., diretto da Grosso, Santoro, Passatelli, Vallardi, Milano, 1965, p.32.

The jurisprudence, since the first applications of art. 2598, n. 2, has recognized the propriety of the conduct subject to the veracity of the public disclosure and the validity of the appreciation implicitly or explicitly referring to the legal content of the news itself. Among the practices deriving from the scheme of unfair competition for denigration, *comparative advertising* is also included. It is a comparison between one's own products and those of one or more competitors, to cast discredit on other products or on the other's activities. Then, there is *hyperbolic advertising* (or *superlative*): with this form of advertising you tend to credit the idea that their product is the only one to possess specific or certain qualities, which are instead implicitly denied to competing products. The so-called phenomenon of *puffing* is also allowed and it consists of the generic affirmation of the superiority of the products.

The art. 2598, n. 2, c.c. in the second part, forbids the appropriation of the products' qualities or of a competitor's company. With this formulation, the norm typifies acts which are dangerous for the right of fair corporate communication; they consist in the distribution of awards, usually assigned to competitor's company, to their company. According to this rule, are considered qualities capable of "unlawful appropriation" all the facts which are relating to the characteristics of the company, the results it has achieved, the quality of the products or services which for the public represents, or may represent, positive reasons, and so, they embody the enterprise's preference compared to the other companies<sup>28</sup>". Regarding the purpose of this rule's application, we can notice that the qualities of illicit appropriation, as well as being not owned by those who appropriate it, are a positive asset of one or more competitors to whom is the legitimacy to act. The appropriation of the benefits occurs, however, when the false attribution is associated with the subtraction to a determinate subject, directly affected by the injury resulting from the need to share the positive appreciation, that the consumers reserve to the holder of the value, with other subjects, who do not deserve equally positive appreciation.

*Parasitic advertising* and *advertising by reference* are also typical forms and techniques of appropriation of others' qualities. The first modality is the foolish attribution to oneself of quality, merit, awards, and in any case positive features that actually belong to other entrepreneurs in the industry. The second one tries to make their products look like those

---

<sup>28</sup> Auteri P., *La concorrenza sleale*, in Trattato d. priv., diretto da Rescigno, vol. XVIII, Utet, Torino, 1983.

of a competitor, using expressions such as type, model, system (ex. a Fiat spare part); and this is to unduly take advantage of the other commercial reputation<sup>29</sup>.

Finally, in the context of the right to a fair corporate communication's facts, linked to the category of other people's worthy appropriation, there is also the hypothesis of the false indication of origin. When the source of the product, through the use of a particular location's toponym, is considered by the public as a guarantee of the product's quality excellence, because of the relationship between this product and certain natural conditions (for example among certain agricultural products, mineral waters or wines) or because of professional and cultural environment relations (as for some manufacturing products in relation to locations where a professional and organizational tradition of particular effectiveness has been developed), to falsely declare the origin of your product from the place in question means appropriating of the merits that are only of that products that are actually made in that location by the companies.

While until now the qualification of the unlawfulness of such behavior was brought to the general disposition of art. 2598, n. 2, cc, today, following the implementation of the TRIPs Agreement through the 19 March 1996, no. 198, the hypothesis has been more specifically typed<sup>30</sup>. The hypothesis of false indication of origin is still of a general nature and therefore it compares with even more specific disciplines that may be of a public or private nature.

#### 1.3.4 The other acts of unfair competition

The Art. 2598 terminates the unfair competition's list by affirming that it is such "any other means that does not conform to the principles of professional fairness and is likely to harm the other's business". This is an elastic criterion that entrusts the judge with the task of determining whether competitive behaviour, other than legally typed, is in harmony with the generally and ethically accepted professional ethics and meets the needs of an orderly and competition fair play<sup>31</sup>.

---

<sup>29</sup> Ammendola M., *L'appropriazione di pregi*, Giuffrè, Milano, 1991.

<sup>30</sup> The art. 31 of such legislative decree states that the geographical location is that place that identify a country, a region or a locality, usually used for indicating those native products, whose qualities, reputation or characteristics are determined by the native geographical environment.

<sup>31</sup> Auteri P., *La concorrenza sleale*, in Trattato d. priv., diretto da Rescigno, vol. XVIII, Utet, Torino, 1983, p.360.

Among the forms of unfair competition deriving from the case-law in the residual category of n. 3 of art. 2598, it should be remembered:

- a) *Parasitic competition*. It consists of the systematic imitation of other business initiatives; this type of imitation is carried out, on the one hand, with such arrangements as to avoid the complete confusion of the activities (and hence not repressible based on the type of confusion involved) and, on the other hand, with an overall design that denotes the mechanic exploitation of the others creativity.
- b) *Economic boycott*. It occurs when a company in a dominant position on the market (individual boycott) or a group of associated companies (collective boycott) refuses in an unjustified and arbitrary manner, either spontaneously or based on agreements, to entertain with a competitor or otherwise a subject, whose economic activity directly or indirectly depends on those of the boycotts to hinder or even block social economic relations.<sup>32</sup>
- c) *The systematic sale under the cost of their products (dumping)*. This practice consists of determine the price of goods and services, to such an extent that it is less than the cost of production of goods or services, when that manoeuvre is aimed at expelling the competitors from the market, to acquire a monopolistic position and subsequently abuse it of this position by practicing prices which, being monopolistic, would not only help to recover losses from the previous undercutting but to have subsequent gains.
- d) *Employees' reversal*. Human resource is one of the most important business start-up factors, so freedom of competition must be able to cover not only the market for goods and services that are the subject of economic activity, but also in the labour market and collaboration, so that each company can find the human resources it needs in this market and that it can also give it a competitive advantage that is hard to beat by its competitors.

---

<sup>32</sup> The secondary individual boycott is considered an unfair competition's act and consists in the entrepreneur's pressure, imposed on other entrepreneurs so that they refrain from commercial relationships of a certain kind with the boycotted entrepreneur. In this way, the subject, even if doesn't hold a monopolistic position, or a dominant one, in that commercial sector, must recover a position of contractual force in order to efficiently practice his pressures.

The same art. 35 of the Constitution, safeguarding work in all its forms and applications, recognizes the self-employed or subordinate worker to take advantage of the competitive dynamics in the labour market, by choosing the employer according to his convenience, not least the one concerning the level of remuneration. These freedoms to hire and be hired should not be manipulated for purposes that have nothing to do with the proper functioning of the market and with the aim of better allocation of human resources, for entrepreneurs and for service providers. The act by which a contractor will ensure job performance of a competitor's employee does not constitute an act of unfair competition, as an expression of the principle of free movement of labour. Discordant with the proper functioning of the market economy, however, is the assumption that the competing entrepreneur exercises his freedom of recruitment not to satisfy his own organizational need, but to disaggregate and destroy the organization of the competing entrepreneur by subtracting human resources essential to its operation, spreading disturbing news about the financial estate of his business, or entrusting the disruptive work of the rival organization to a conspirator placed inside with proselytism tasks. In this case, the organization affected by the transfer would be damaged, while the organizer of the transfer would not benefit from the reversed human resource which would come into wasted, because its remuneration would not match an increase in organizational advantage. The courts said that the reversal infringes the right to fair competition when it is due to the so-called *animus nocendi*, namely with the intention of harming the competitor without making a real advantage for those implementing it. *Animus nocendi* exists when the purpose of the damage of the rival organization is the sole purpose that has induced the competitor to make the transfer<sup>33</sup>. It can therefore be argued that the judgment on professional misconduct must be based, on the one hand, on the intent of the author of the competitive conduct at issue; on the other hand, the judgment must be

---

<sup>33</sup> Because the relocation of employees can be qualified as an act of unfair competition from the side of the competing enterprise, the recruitment of the staff must take place in such a way as to cannot be justified, in the light of the principles of professional fairness, if not assuming in the author the intention to harm the competing company. (Civil Judgment, Sector I, 22 July 2004, No 13658).

anchored to certain objective circumstances<sup>34</sup> which, alternatively, may attest the presence of the *animus nocendi*<sup>35</sup>.

- e) *The abusive abduction and exploitation of other business secrets.* As a result of the insertion of art. 6 bis in law inventions with 198/1996, implementing the so-called TRIPs (Agreement on Trade-Related Intellectual Property Matters, annexed to the GATT) expressly states that: “It constitutes unfair competition from disclosure to third parties or the acquisition or use by third parties, in a manner contrary to professional integrity, of business information, including commercial information subject to the legitimate control of a competitor”. It therefore constitutes unfair competition from disclosure to third parties (for example, by former employees) and the acquisition or use by third parties, in a manner contrary to professional integrity, of secret business information<sup>36</sup>.
- f) *Illegal interference with other distribution systems.* Each entrepreneur has the right to organize the distribution of his products by adopting systems characterized using exclusivity clauses. The exclusivity can be used to divide the territory into as many areas as distributors benefiting from the exclusive sales area to which they are normally associated with the promotional and organizational investments that the exclusivity owner should credit and disseminate the product of brand. Secondly, the exclusivity can be used to organize a selective distribution network, where the products are sold only at points of sale that are part of the network and which are only allowed as a result of the fact that they meet and are committed to meeting certain programmed conditions, usually to ensure a quality level of service and sometimes also the provision of complex after-sales

---

<sup>34</sup> These circumstances are: 1) the amount of reversed subjects; 2) the scope of the company's overall competing organization; 3) the position that the reversed employees recovered in the competing company; 4) the poor employees flexibility; 5) the speed of the transfer; 6) parallelism with the economic initiative of reversing competitor; 7) the methods used to persuade them to move to the other company's dependencies; 8) the transgression of duties of fidelity, often integrated by being the partner officer of the competitor; 9) the use, in the work of staff persuasion, of employees of the person who is subject to the transfer.

<sup>35</sup> Spiazzi G., *Storno di dipendenti e perduranti ambiguità definitive*, in Riv. Dir. Ind., 1998, II, p. 234 e ss.

<sup>36</sup> Think, for example, about the conduct of those who took copies of machine models produced by the competitor, by causing damage to the latter. In this case, the subtraction of copies of the models integrates a violation of art. 2598, n. 3. c., as there has been a violation of all the news and of all the data of some importance and concerning the company, which for the entrepreneur take on a reserved character, of which the former employee has been seized and used improperly.

technology services. Linked to the distribution system layout, based on exclusive territorial or exclusive exclusions linked to the presence of certain retail outlets requirements, it frequently occurs that the producer organizes distribution of its products by charging the distributors of price constraints and therefore by banning the adoption of selling prices below a predetermined minimum. There is thus an interest of the maker of the company to maintain the competitive advantage deriving from the proper functioning of its distribution system; Interest that conflicts with the behaviour of distributors who are not part of the system organized by the producer who adversely affect the proper functioning of that system by selling the products in the exclusive area or by selling the product at a price lower than that imposed by the producer<sup>37</sup>.

#### 1.4 The penalties

The repression of unfair competition is based on two distinct sanctions: the typical punishment of unlawfulness (Article 2599) and the common law on civil unlawfulness, that of *compensation for damages* (Article 2600). Primary interest of the entrepreneur that suffer of an act of unfair competition is to get the cessation of the disadvantages of his company and to obtain it even before the act has caused him any harm asset. To this purpose responds the inhibition action<sup>38</sup>; it is directed to obtain one judgment that establishes the competitive illicit, inhibits the continuation of the future and it shall bear the counterparts' reintegration measures necessary to cease the effects of unfair competition. For example: removal or destruction of things that have been used to enforce competitive illicit; diffusion of rectification announcements...<sup>39</sup>. The inhibitory action and the related judgments do not depend on the fraud or on the guilty of the active person of the unfair competition act and the existence of a monetary damage current for the counterparty. However, even if these latter assumptions arise, the injured competitor will

---

<sup>37</sup> Auteri P., *Diritto Industriale – Proprietà intellettuale e concorrenza*, G. Giappichelli editore, Torino, 2001, p. 323 and ff.

<sup>38</sup> Art. 2599: “The judgment which seeks unfair competition acts inhibits the continuation and gives it appropriate measures to eliminate the effects”.

<sup>39</sup> Libertini, M., *Azioni e sanzioni nella disciplina della concorrenza sleale*, in Trattato Galgano, IV, p. 237, ff.

also be able to obtain damages (Article 2600) and the guilty of the injured is presumed once the act of unfair competition was established (Article 2600 (3)).<sup>40</sup>

Among the compensation measures the judge may also have the publication of the sentence in one or more newspapers at the expense of the losing party. The right to loyalty to competition also benefits from effective safeguarding which, more and more, is being replaced by ordinary protection incapable of constituting a valid response to the speedy needs of the injured right holder. Regarding the right to loyalty of competition, it also strengthened the jurisprudential orientation according to which the danger in the delay lies in if the unfair competition law is under way, awaiting substantial irreparability of the damage caused by the misuse of the clientele, so that the protective protection ends with to be subordinated only to the presumption of the *fumus boni iuris*. Because in the unfair competition's matter are not provided special precautionary measures, it is possible ask and obtain the urgent measure that art. 700 anticipates as how general measure of precautionary nature, which may be specified by the court on application of the person concerned in the light of the allegedly unlawful act of action<sup>41</sup>. Active and passive legitimacy and competence in the experiment of precautionary action are the same as ordinary actions of unfair competition. The precautionary procedure in the matter of unfair competition is the uniform one in Art. 699 bis and ff.<sup>42</sup> Action to crack down on unfair competition can be promoted by the entrepreneur or by the defective entrepreneurs. Its legitimacy is recognized also to the professional associations of the entrepreneurs and the representative bodies of category, "when unfair competition acts undermine the interests of one protection of the models and the repression of the slavish imitation Professional category" (Article 2601, 37), and recently also to the rooms of commerce (Article 2, paragraph 5, law 580/1993) that can act with the action of Unfair competition as exponential entities "*of the general business interests*" and that is, the interests of professional categories that are transfigured as interests of the community.

---

<sup>40</sup> Art. 2600: "If acts of unfair competition are committed with fraud or guilty, the author is required to pay damages. In such a case, the publication of the judgment may be ordered. Once the acts of competition are being verified, the guilt is assumed."

<sup>41</sup> Floridia G., *Diritto industriale – Proprietà intellettuale e concorrenza*, G. Giappichelli editore, Torino, 2001, p. 637 and ff.

<sup>42</sup> Vanzetti A., Di Cataldo V., *Manuale di diritto industriale*, 3 ed., Giuffrè, Milano, 2000.

### 1.5 The legislation to protect against counterfeit products

World Intellectual Property Organization (WIPO) is at present studying possibilities of improving the protection against unfair competition. As a first step, WIPO has recently published an analysis of the present world situation on the protection of unfair competition.<sup>43</sup> This analysis shows that WIPO is interested in an effective application of the three categories of cases expressly listed in Article 10bis (3), without restricting its work to them. It covers additionally the violation of trade secrets, taking undue advantage of another's achievement, and in this context, among other topics the aspects of dilution and slavish imitation, comparative advertising, the exploitation of fear, delivery of unsolicited goods, special sales promotions, etc.

WIPO deduces an increased need for protection against unfair competition from the fact that in the wake of recent political developments, an important number of countries is in the process of adopting a market economy system. Whilst free competition between enterprises is considered necessary to satisfy supply and demand in the economy and to serve consumers, it cannot be denied that, where there is competition, acts of unfair competition are liable to occur. Article 10bis (2) restricts protection against unfair competition to acts of competition contrary to honest practices in industrial and commercial matters. Since the modern concept of protection against unfair competition aims at protecting not only competitors but also consumers and the public in general, any act contrary to honest (fair) business practices should be regarded as an act of unfair competition.

Countries, in general, provide protection against acts which are likely to create confusion: under civil law no fraudulent intent is required for protection against confusion; likelihood of confusion is the test generally applied; generally, any type of confusion, not limited to the criteria listed in Article 10bis (3). is considered; in general, the likelihood of confusion is to be examined in relation to an average (reasonable) consumer, having normal attentiveness regarding the nature of the product or service or the place where it is offered; the relevant confusion can result from any means whatever, including the presentation of a product or its packaging; however, in cases of imitation of product get-up (trade dress), courts sometimes give more attention to differences in product names

---

<sup>43</sup> WIPO, *Introduction to intellectual property theory*, Kluwer Law International, London, 1997, p.11.

and downplay the risk of confusion arising from other features, such as the use of similar colors and graphic elements.

So, in recent years the combat against counterfeiting and piracy has been a hot topic worldwide. Counterfeit is defined as goods, including packaging, bearing without authorization a trademark identical to the trademark validly registered in respect of the same type of goods or which cannot be distinguished in its essential aspects from such a trademark<sup>44</sup>.

Pirated goods are copies made without the consent of the holder of an intellectual property right<sup>45</sup>. This definition immediately reveals a conceptual weakness: trade in and production of a product may be considered as counterfeit in one country, whereas it is not illegal in another country, depending on the national legislation and the state of protection obtained by the proprietor of the concerned right. The legal distinction between counterfeit and legitimate use of intellectual property rights follows from differences in national law (or differences in enforcing national law) and from choices made by holders of intellectual property rights who may decide to waive protection or enforcement measures in some countries.

Notwithstanding this "*relativity*" and the fact that counterfeit is unlawful only where it violates the applicable law and vested rights, it is considered as a serious threat to the economies of especially those countries who have a developed system of protection of intellectual property rights, regardless whether counterfeit production took place without violating the law in the country of origin.

The European Commission recognizes the great importance of the problem. Apart from the economic damage that is caused by counterfeit and piracy, there have also been quite a few examples of counterfeit leading to serious safety and environmental issues. The number of dangerous counterfeit goods such as medicines<sup>46</sup>, car parts, unsafe toys and

---

<sup>44</sup> Council Regulation 1383/2003/EC of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (OJ L 196 dd. 2 August 2003). This is the Art. 2(a) Regulation 1383/2003.

<sup>45</sup> Article 2(b) Regulation 1383/2003.

<sup>46</sup> The Parliament has requested specific action in the field of counterfeit of medicines (see Resolution of the European Parliament on the counterfeit of medicines dd. 7 September 2006, P6\_TA-PROV (2006) 0351).

foodstuffs has risen tremendously.<sup>47</sup> Every year, the European Commission provides an overview of the results achieved by each Member State in terms of seizures of counterfeit goods at the borders.<sup>48</sup> The statistics confirm that counterfeiting is a growing and increasingly dangerous phenomenon. In 2006, EU customs seized 250 million counterfeit and pirated goods (compared with 75 million in 2005 and 100 million in 2004) and handled more anti-counterfeiting cases than ever before.<sup>49</sup> This is considered the tip of the iceberg yet. Because of the far-reaching consequences of counterfeiting and piracy, the subject is given high priority on the European agenda.

### 1.5.1 Measures against counterfeit and piracy

On the European level, much has been done in recent years to combat counterfeit and piracy. In 1998 the European Commission published a Green Paper on the fight against counterfeiting and piracy in the Single Market, in order to launch a debate on the subject with all interested parties.<sup>50</sup> The consultation confirmed that the disparities between the national systems of intellectual property rights had a harmful effect on the proper functioning of the Internal Market.

The consultation was followed by a Communication to the Green Paper proposing an action plan to improve and strengthen the fight against counterfeiting and piracy. A few measures were considered to be urgent, among which (i) a directive to boost the means of enforcing intellectual property rights and to define a general framework for exchanging information, (ii) the use of existing programs to devise training actions for officials in enforcement agencies and public information and awareness-raising measures and (iii) the identification of a contact point at Commission level to provide a link between the various departments with respect to work in this field, and to facilitate transparency.<sup>51</sup>

---

<sup>47</sup> See Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on a customs response to latest trends in counterfeiting and piracy dd. 11 November 2005, COM (2005) 479 final, p. 3.

<sup>48</sup> MEMO/04/255 Brussels, 10 November 2004 EU strategy to enforce Intellectual Property Rights in third countries -facts and figures.

<sup>49</sup> A total of more than 37 000 cases were dealt with in 2006, up 40% from 2005.

<sup>50</sup> These instruments and mechanisms are also summarized on the website of the EU (<http://europa.eu/scadplus/leg/en/lvb/111016.htm>).

<sup>51</sup> COM (2000) 789 final.

### 1.5.2 The Anti-Piracy Regulation

In the customs area, the most relevant instruments are the already mentioned Council Regulation (EC)1383/2003 concerning customs action against goods suspected of infringing intellectual property rights and the measures to be taken against goods found to have infringed such rights (the so-called “Anti-Piracy Regulation”) and its implementing regulation, Commission Regulation (EC) No 1891/2004 of 21 October 2004.<sup>52</sup> The Anti-Piracy Regulation – that applies from 1 July 2004 and repeals the old Anti-Piracy Regulation ((EC) 3295/94) – allows customs to intercept goods suspected of being counterfeit or pirated.

The aim of the new Anti-Piracy Regulation is to simplify the administrative measures necessary to implement it for holders of IPR whose rights have been infringed and to give customs administrations a legal arsenal enabling them, in cooperation with right holders, to better prevent and control IPR infringements. Where goods are suspected of infringing intellectual property rights, the right holder may lodge a written application with the relevant customs authorities (the application for action must include an accurate and detailed technical description of the goods in question, any information concerning the nature of the fraud and the name and address of the contact person appointed by the right holder). In accordance with national provisions, and with the right holder's agreement, the Member States may now set up a simplified procedure to enable the customs authorities to have the goods destroyed. If the infringement of an intellectual property right is not established within a set deadline, the detention order is lifted and the goods are released once the necessary customs formalities have been discharged.

Goods found to infringe an intellectual property right may not be brought into the customs territory of the Community, withdrawn from the customs territory of the Community, released for free circulation, exported, re-exported or placed under a suspensive arrangement, in a free zone or free warehouse. If the customs authorities have sufficient reason to suspect that goods are violating an intellectual property right, they may suspend

---

<sup>52</sup> Commission Regulation (EC) No 1891/2004 of 21 October 2004 laying down provisions for the implementation of Council Regulation (EC) No 1383/2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (OJL 328 dd. 30 October 2004). Regulation 1172/2007 (OJ L 261 (2007) p. 12) amends Regulation 1891/2004 implementing the 'basic' Regulation 1383/2003 on border measures, in that it provides for a new Community application for customs action form, that takes into account the accession of Bulgaria and Romania to the European Union.

the release of goods or retain goods for three working days, during which time the right holder must apply for action. In accordance with the rules in force in the Member State concerned, the customs authorities may ask the right holder for information to help them in their investigation. The competent customs office sets a period of maximum a year during which the action must take place. However, this system is not designed to inform right holders and to enable them to act against parallel import of genuine products, even if such import violates national or community intellectual property rights (exhaustion principle).<sup>53</sup> The set of rules laid down in the Anti-Piracy Regulation provide a strong tool for EU customs and right holders to act against counterfeit and piracy. The legislation in this area is now even considered to be among the strongest in the world, which is reflected by the fact that Member States' customs administrations seize considerably more counterfeit goods than is the case elsewhere.<sup>54</sup>

The European Community and its Member States are generally acknowledged for protecting and enforcing intellectual property rights according to quite high standards. Despite that active approach, it is very unlikely that all counterfeit and piracy can be eradicated. The increasing use of the internet to sell counterfeit products (mainly medicines), the transport of small quantities by air or postal traffic and the high quality of counterfeit products (the quality of counterfeit products is now often so good that it is becoming increasingly difficult for customs authorities and even for right holders themselves to distinguish counterfeit products from real products<sup>55</sup>), increases the challenge customs authorities and holders of intellectual property face. The global scale of the problem also often makes it difficult to act, particularly due to enforcement problems in countries outside the EU. Another challenge in the combat against counterfeit and piracy is to find the right balance between the legitimate interests of intellectual property right owners on the one hand, and the protection of an undisturbed free trade on the other hand. The European Community has adopted a very active approach towards the problem of counterfeit and piracy. Among the most important measures are the Anti-

---

<sup>53</sup> Article 3 Regulation 1383/2003.

<sup>54</sup> See Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on a customs response to latest trends in counterfeiting and piracy dd. 11 November 2005, COM (2005) 479 final, p. 8.

<sup>55</sup> Also see Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on a customs response to latest trends in counterfeiting and piracy dd. 11 November 2005, COM (2005) 479 final, p. 5.

Piracy Regulation that concerns customs action against goods suspected of being counterfeit or pirated and the Enforcement Directive that provides IP holders with some strong procedural tools to enforce their rights.

Despite all the attention that is given to the combat against counterfeiting and piracy, those problems have not disappeared. One of the problems that is not easy to be solved, is that intellectual property rights are often violated in countries where less attention is given to the protection and the enforcement of intellectual property rights.

Although it is certainly good that much is being done to fight counterfeit and piracy in the European Union, one should be careful to not solely concentrate on the interests of IP holders, but try to strike a fair balance between the protection of IP holders on the one hand and the protection of free trade on the other hand. Furthermore, one should carefully assess whether specific Intellectual Property measures are justified and whether they fit into the existing set of rules. If enough consideration is given to those aspects, measures against counterfeit and piracy deserve a warm welcome.

#### 1.6 The protection of the models and the repression of the slavish imitation

Under Italian law, the protection of patents falls within the scope of the Paris Convention for the Protection of Industrial Property, ratified by Italy. Section 3 of the Code, consistent with section 2 of the Paris Convention, states that citizens may enjoy full protection and exploit every remedy provided for by Italian law. Intellectual Property rights may, in general, be enforced both by means of legal and administrative proceedings. Judicial proceedings have been detailed by Legislative Decree No. 168/2003, amended by Law Decree No. 1 of 24 January 2012 and converted into Law No. 27/2012, identifying specific sections within Italian courts competent in the judgment of IP rights and relevant violations. Under article No. 134 of the Code, courts may judge on judicial proceeding related to industrial property and unfair competition, except in cases that may involve or indirectly interfere with the enforcement of industrial property rights, as well as unfair practices connected to the exercise of industrial property rights, for which ordinary courts are deemed competent.

With regard to administrative proceedings, the Code lays down a set of rules on the filing of appeals against the Italian Patents and Trademarks Office orders rejecting an application and registration or preventing the acknowledgement of an IP right. In the case

of a claim regarding the priority or invalidity of a trademark, whenever the relevant titles are still pending and still not granted by the Italian Patents and Trademarks Office, this office is competent in establishing priority rights. With Decree of 11 May 2011 of the Economic Development Ministry, article No. 174 of the Code has become operational and entitled parties may now intervene in proceedings for the registration of Italian trademarks, filing eventual oppositions, either by means of observations or counterclaims. Finally, specific provisions set out by the Criminal Code also provide protection from unlawful introduction of counterfeited material in the territory.

The entitled party has a roster of remedies. First and foremost, it may apply for the seizure of some or all the items of infringement, involving also the machinery, apparatus and systems utilized in the manufacture and craftsmanship performed in the violation. The seizure proceeding is governed by the general principles ruling precautionary proceedings, and prejudice and evidence of right are required. The preventive seizure requires a simple assessment of the use of goods with counterfeited trademarks for the commission of the felony regulated by article No. 474 bis of the Criminal Code (Court of Lecco, decision of 4 January 2011). Moreover, the holder may request that an injunction be issued to prevent any imminent infringement of his or her rights or to forbid release of products, as well as removal from distribution and other provisional measures. Aside from the provisional measures referred to above, the party may obtain full recovery from the damages suffered relating to the copyright infringement (article 125 of the Code). Damages are estimated by the judge, according to the evidence provided by the offended party and with regard to eventual royalties, which the offending party should have paid the IP owner to lawfully exploit the patent (paragraph 2 of article 125). However, in the case of illegal parallel importation into the EU of goods from non-EU countries utilizing distinctive signs in contrast with protected rights, damages may be settled equitably in absence of a specific benchmark criteria, considering both the detriment of the commercial image and the diversion of customers to the duping (Court of Appeal of Naples, Decision of 24 January 2011). Under article No. 125 of the Code, the relevant proceeding, which may yield a definitive decision by the court, may also provide for:

- inhibition to further manufacture, sell or use the infringing goods;
- withdrawal from the market;
- destruction of infringing goods; and

- imposition of fines in the case of further violations.

The indicated measures may be also applied against intermediaries involved in the release or sale of goods. The Code also sets measures against piracy and illegal duplication and distribution of artistic works, entitling the direct administrative seizure of counterfeited products.

IP right holders have the legitimate right to make exclusive use of IP assets. In this case, slavish imitation is prohibited under article No. 2,598 of the Civil Code as a typical unfair trade practice, possibly involving the violation or abuse of IP rights. However, Italian case law (e.g., Court of Turin, IP department, Decision of 11 March 2009, and similarly, Court of Bologna, IP department, Order of 24 February 2009) requires, for a slavish copying instance to be recognized, that the assumed, offending goods copy not just the shape and design of the patented design, but a particular feature or distinctive sign capable of identifying the patented product on the relevant market, such as to make it immediately distinguishable by, and attractive to, potential customers. The Court of Bologna recently stated that the ‘functional shape’ of a product (i.e., the shape imposed by the design and technical requirements of the product), cannot be regarded as having a distinctive and characterizing nature. Slavish copying protection fully relies on the possibility for confusion among customers on the market. Recently, the Court of Milan (IP section, Decision of 5 May 2012) set out, with particular reference to unfair competition as a form of slavish copying, that article No. 2598, paragraph 1 of the Civil Code refers to goods that can be instantly recognized in shape and design; this article does not relate to the mere protection of formal elements of copied goods since the perception by consumers of the formal elements does not, in itself, necessarily trigger a perception of differentiation among similar products. Confusion and unfair competition may occur in the use of names and trademarks when products are destined to the same market sectors (Supreme Court, 9 February 2000, No. 1,424). However, the possibility of confusion cannot be evaluated on the basis of hypothetical parameters or generalized criteria (Supreme Court, landmark decision of 19 March 1999, No. 4,841).

## **2. THE SLAVISH IMITATION IN THE COMPARATIVE AND INTERNATIONAL PERSPECTIVE**

### 2.1 Patent protection for utility model in national law: slavish imitation as unfair competition

The interest of the creator of a form, that confers to a product efficiency and convenience, to be the only one to be able to use it concretely, only by authorizing third parties to use it in their production, can also find satisfaction through the rules that repress the so-called “slavish imitation” as unfair competition.

The first prerequisite for the application of unfair competition’s rules is that the useful shape does not reach the threshold of patentability as an invention or utility model. The reason of this limitation should be sought in the ratio of the patent system: it encourages the innovator to guarantee him a temporary right of exclusivity on the industrial exploitation of ideas, while it assures the community the permanent acquisition of its cultural heritage of innovation described in the patent application, as well as the possibility of use it freely, after the exclusivity period. The ban on unfair competition protects forms that do not possess a practical - useful value, but they have simply an individualizing value. This prohibition operates without time limits and, where it could be recourse to it, even in the presence of a patentable form, nobody would have more interest in patenting: why should you ask for a document that gives an exclusive twenty-years or ten-years, if it is possible prevent that others make use of the useful form in its industrial production? It should also be noted that the slavish imitation of other products is banned only when there is a real risk of confusion about the origin of the product by an entrepreneur rather than by another. This means that the active and the passive subject of the unfair competition act must be an entrepreneur, or who, at least, is dealing with business. Furthermore, it needs that there is a competitive relationship between two entrepreneurs, which is the case when they operate essentially on the same market. It is also necessary that the form is new and characterizing, distinguishing the product compared to those of competitors. In order that there is a risk of confusion for the public about the origin of the product, it is necessary that the form itself is not only designed by those who call for protection, but also that it has been made known to the market with product distribution and advertising.

Moreover, a fundamental problem, comes from the need to coordinate the concrete application of rules prohibiting slavish imitation, with the protection accorded to the shape of products, from the discipline of ornamental and utility patterns. Our regulation provides, in addition to patents for inventions, a specific patent protection for external forms of products, if they stand out for the aesthetic value or for the technical function. Patents for ornamental designs protect the forms of the first type products. The discipline was recently reformed by Legislative Decree 95/2001, implementing Community Directive n. 98/71. Following the new legislation, the forms with “special ornament” are no longer protected, but only designs with “individual character”, in addition to being new, are effectively safeguarded. Patterns, therefore, are protected if they are new and have individual character.

Patent law on utility models, on the other hand, protects the forms that besides be new, confer to the product a “particular efficiency or comfort of application or employment”. Both the provisions on models and art. 2598, n. 1, have as their goal the protection of the aesthetic form of a product but, while this form is protected by the patent system with the aim of stimulating innovation and, therefore, to suppress the imitation of the attractive features of the products, the discipline against slavish imitation protects the shape of the product because it has distinctive and suitable effectiveness, indicating the origin of one certain enterprise.

Although forms are protected, by discipline, for their useful utility or aesthetic value; on the other hand, often the features that, for their distinctive function, attribute aesthetic or technical qualities correspond to the form’s essential characters, and even with distinctive characters. The problem is based on the difficulty of reconciling the protection of form, limited in time, guaranteed by patent law, with the potentially limitless one provided by the unfair competition discipline, with the aim of protecting the need for others not to appropriate of distinctive form. Given the characteristics of the two disciplines, a level of coordination is to be found to prevent that, through an unlimited application of unfair competition, the rights to patentable forms are extended. To this purpose, it is believed that the prohibition of slavish imitation cannot cover the same characteristics of the patent protection and the possible conflict between regulations is solved by sanctioning that the forms that play only a distinctive function can be protected by art. 2598, n. 1. The forms that possess a utility function or a particular aesthetic value cannot be protected in the

same way: otherwise, the protection would neutralize the privates that, by granting exclusive rights limited in time and subordinated to formality of deposit, allows the fall of the progress, in public domain, achieved in the field of technology or aesthetics. Shapes of aesthetic or functional value would be protected exclusively by the industrial model discipline. To that forms, considered by the order deserving of patent protection, is applied the principle that states that, at the expiration of the patent or if it has not been requested, these forms are freely imitable, so it is guaranteed a future innovation. The space for applying the discipline of slavish imitation is, therefore, limited to the protection of the “arbitrary” form, since the forms that are needed to attain a technical or aesthetic value, if patentable, cannot be protected through the prohibition of slavish imitation.

Ultimately, the forms, whose reproduction is necessary for the attainment of certain useful, functional or aesthetic value cannot be protected against imitation. So, the discipline against slavish imitation can only find application where it is possible to find forms which, although endowed with aesthetic or utility value, do not they are, however, from the point of being patented, as it is not conceivable to reduce the application of this discipline only to “bad” or “anti-functional” forms. Also, jurisprudence stressed that coordination between the various disciplines cannot certainly be found in the protection ex art. 2598, paragraph 1, of the only “bad or anti-functional” shapes, on the contrary it finds its own operating environment, also and especially, for aesthetically pleasant forms or with specific functionality not particularly original and, therefore, not patentable. For these considerations, it is underlined the need for patent law to be enforced so as not to protect any ornamental or functional form, but only those that stand out because they present a “special ornament” or “a particular effectiveness or convenience application or employment”. The situation is going to complicate later on the entry into force of the new law on designs. The requirements asked for access to protection and the need for the design model, that differs from those pre-existing, for the impression created on users, could in the future pose the problem deriving from the fact that the judgment of form to the registration purposes and the form’s judgment to the protection purposes against slavish imitation, could be based on very similar elements. If so, the consequence could be that to the adjustable shapes could not be applied the discipline of unfair competition, but the latter could not be used (because of the lack of requirements) even for forms that are not adjustable. One possible solution can be based on the fact that the protection of

designs is based on the “informed” user impression. Such specification could lead to a more analytical comparison between different models. In this way, using different requirements for the application of two regulations, the discipline against slavish imitation finds more space.

## 2.2 The phenomenon of look-alike

In English-speaking countries (especially in the U.S) the item of products’ imitation is indicated with the expression of *look-alike*. The phenomenon of look-alike has also become more prominent on the agenda of the European Union, both in the context of so-called “free-riding” in relation to trade mark law, and with respect to possible unfair commercial practices. It is timely and important to undertake a study into the possible effects of look-alike on consumers and business. The Intellectual Property Institute (IPI) was commissioned by the Intellectual Property Office (IPO) to obtain empirical evidence on the effect of look-alike on consumers and on the market place.

The benefit individual firms and individual consumers achieve from trade mark, trade dress and branding has been widely studied.<sup>56</sup> There have been fewer attempts to identify the macro-economic effect of brands, but those that have attempted such work have found evidence supporting the fact that the large brand owners who manufacture and design their own products more actively innovate than their rivals<sup>57</sup> and that such innovation leads to growth in consumer markets.<sup>58</sup> A brand, and its guarantee, also provides security to consumers as it means that a brand owner wishing to move to a new market must ensure there is high or consistent quality in the new product so as not to risk the existing value in the brand (so called brand equity). It will therefore be accepted for the purposes of this

---

<sup>56</sup>In terms of trade mark law, one of the most famous example being William Landes and Richard Posner *Trademark Law: An Economic Perspective* (1987) 30 *Journal of Law and Economics* 265 and a shorter version (without the equations) at (1988) 78 *Trademark Reporter* 267.

<sup>57</sup> See Kamran Kashani, Joyce Miller and Tony Clayton, *A Virtuous Cycle: Innovation, Consumer Value and Communication* (AIM 1998).

<sup>58</sup>Tony Clayton and Graham Turner *Brands, Innovation and Growth: The Role of Brands in Innovation and Growth for Consumer Business*, in Joe Tidd (ed) *From Knowledge Management To Strategic Competence Assessing Technological, Market and Organizational Innovation* (3rd Ed, Imperial College 2012).

report that brands as such are valuable to brand owners, consumers and to the wider economy.<sup>59</sup>

### 2.2.1 The terminology

The issue of look-alike is caught up in a torrent of conflicting terminology, which also potentially compromises the clarity of the debate and the existing information and literature. This is a problem which has long been acknowledged in marketing discussions.<sup>60</sup> In each case, the central issue is largely the same, but the words used to describe it may vary greatly, posing significant problems for achieving consensus in definition and approach. Therefore, to achieve some consistency with respect to the subject matter and definition, the term look-alike will be used throughout this report. Nevertheless, it should be noted that alternative terms of copycat or parasitic product are also used in much of the literature.<sup>61</sup> These terms will be used only in direct quotes or where it would not accurately reflect the context to use look-alike.

It is, therefore, necessary to introduce and agree at this stage the working definition of look-alike. A look-alike product is a product sold by a third party which looks similar to a manufacturer brand owner's product and by reason of that similarity consumers perceive the look-alike to share a greater number of features with the manufacturer brand owner than would be expected by reason of the products being in the same product category alone. There have been other attempts to define what amounts to a look-alike and these have contributed to this working definition.

In relation to intellectual property rights, the term look-alike is sometimes used to cover things which are trade mark, design or copyright infringements. In this context, the issue of look-alikes is substantially one of enforcement of intellectual property rights (whether this is a problem with evidence, cost or commercial difficulty). Distinct from intellectual

---

<sup>59</sup> However, some commentators argue that the development and protection of brands (rather than just protecting against consumer confusion) is wasteful potentially encouraging "irrational" brand loyalty as well as creating barriers to entry: see Ralph Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, (1948) 57 Yale Law Journal 1165, 1181-3; Glynn Lunney "Trademark Monopolies" (1999) 48 Emory Law Journal 367; Mark A. Lemley and Mark P. McKenna, *Owning Markets*, (2010) 109 Michigan Law Review 137, 176 and Barton Beebe *Search and Persuasion in Trademark Law*, (2005) 103 Michigan Law Review 2020.

<sup>60</sup> Michael Halbert, *The Meaning and Sources of Marketing Theory* (2nd Ed McGraw-Hill Book Company, 1965); also see Thomas Schutte, *The Semantics of Branding*, (1969) 32 Journal of Marketing 5, 6.

<sup>61</sup> There are some countries which have parasitic copying as an act of unfair competition.

property rights, the term look-alike could also be used to cover activities which do not amount to infringement of intellectual property rights or come within the scope of unfair competition laws. Nevertheless, such practices may be perceived as problematic by brand owners. In the latter instance, the issue is one of substantive law that can be remedied only by creating a new legal right. This ambiguity in the meaning of look-alike is aptly demonstrated by a description in *The Times*:<sup>62</sup>

*“The subtle goal of ‘look-alike’ packaging is to hijack the reputation and symbolism of the famous brand. To give two products a virtually identical visual appearance is to imply a similarity of quality, taste or efficiency.”*

If something is virtually identical (at least in legal terms) then it represents something which is likely to be a counterfeit product (or some other form of intellectual property infringement) and so represents a very narrow view of look-alikes.

To understand the context of the current research, it is necessary to consider the laws that might currently apply to lookalikes. There is a multitude of laws which might be relevant in this regard including: copyright; design law; trade mark law; passing off; and various consumer laws. These are for examples: passing off (UK)<sup>63</sup> ; unfair competition law (Germany); and trade dress protection (United States). This is not to suggest that other laws, in particular other intellectual property laws, are not equally important in preventing lookalike packaging.

### 2.2.2 The different laws applications against look-alike

There is no general law of unfair competition in the UK, although on occasion it has been suggested otherwise. The law of passing off is traditionally what has been used to deter traders from using similar trade dress to their rivals. There are three basic elements that must be established for a claim of passing off to be made out: goodwill in the get-up of

---

<sup>62</sup> *Brand of Logic*, *The Times*, 20 April 1994.

<sup>63</sup> In the discussion of UK law, English modern terminology will be used even if it was not so used in the original literature. Therefore, reference will be made to claimants, applications, and interim injunctions, rather than plaintiffs, motions and interlocutory injunctions. The Scots have always used different terminology: e.g. pursuer for claimant; defender for defendant; interdict for injunction and so forth. Northern Ireland has retained the traditional terminology.

goods; a misrepresentation leading the public to believe the goods supplied by one trader are those of another; and damage caused because of the erroneous belief.<sup>64</sup> If these elements are shown then the second trader's state of mind is irrelevant. A major limitation for the application of passing off in preventing lookalikes is the fact that the requirement for a misrepresentation (customer confusion) is central to the action. This is often found to be too difficult to establish as courts perceive that consumers can tell the difference between a lookalike and the manufacturer brand. If this premise is right then there is an avenue for passing off to cover lookalike claims based on the loss of exclusivity of distinctive get-up. To date this view has not been tested before the courts.

In Germany, lookalikes are usually dealt with under conventional intellectual property laws, but there is specific provision in unfair competition law to prevent parasitic copies. Nevertheless, where cases have been reported, there has been mixed success and there appear to be particular problems proving competitive individuality in relation to own brand (i.e., distinctiveness of get-up which informs the public of its origin or characteristics). There is a perception that the German courts are more willing to provide a remedy against parasitic packaging than other countries including England.

In the United States, lookalikes are dealt with as part of trade dress law, which is essentially part of trade mark law.<sup>65</sup> Trade dress must be distinctive to be considered a trade mark (registered or unregistered). This distinctiveness can be either inherent or acquired.<sup>66</sup> Functionality (aesthetic or utilitarian) cannot be protected under trade dress. Therefore, packaging dictated by function or custom (with respect to color, for example) may not necessarily be protected. Trade dress is protected both against other traders adopting confusingly similar dress and against being diluted under the Federal dilution statute. There is a divergence between the circuits as to the effect of a retailer's name appearing on the packaging. In any event, most cases still tend to fail due to the absence of confusion.

---

<sup>64</sup> *Reckitt & Colman Products Ltd v Borden Inc (No 3)* [1990] RPC 341, 499; also see the five elements identified by Lord Diplock in *Erven Warnink BV vJ Townend & Sons (Hull) Ltd (No 1)* [1979] AC 731, 742.

<sup>65</sup> There are difficulties in relation to aesthetic and utilitarian functionality

<sup>66</sup> *Restatement (Third) of Unfair Competition*, §, 13 (1995); also see *Wal-Mart Stores v Samara Brothers*, 529 US 205, 210-211 (2000).

### 2.2.3 European Union

It has been perceived by some commentators that the concept of “unfair advantage” as set out in relation to trade mark infringement (dilution) may be of relevance to lookalikes. However, many forms of trade dress are difficult to register as they are not inherently distinctive and so require time in the market place to acquire distinctiveness. Furthermore, the continually evolving nature of Court of Justice jurisprudence means that it is unclear whether dilution would apply to lookalikes as such things may or may not fall within the meaning of “mere imitation”. It must be remembered that where the EU leads, either through legislation or decisions of the Court of Justice, Member States (including the UK) must follow. It appears possible that lookalikes fall within the scope of the Unfair Commercial Practices Directive (UCPD) although this is subject to the view of the Court of Justice. If lookalikes do fall within the scope of that Directive, then:

- the law of passing off, as it applies to lookalikes, may be affected and may have been narrowed in scope;
- Member States may be restricted in enacting sui generis laws to prevent lookalikes;
- Some instances of lookalikes may already be unlawful in the United Kingdom under the Consumer Protection from Unfair Trading Regulations 2008 (which implement the Directive);

Notwithstanding the above, creating a private right of action under the 2008 Regulations would be compatible with the UCPD and would not make anything further unlawful, rather it would make it easier for manufacturer brand owners to bring an action in relation to (any) presently unlawful conduct.

### 2.3 The Innocuous Variants Theory

A broad set of jurisprudence and a part of doctrine tries to mitigate the rigor of the position that affirms that free imitability of the forms is necessary to reach an aesthetic or functional value with the theory of innocuous variants, arguing that, in the assumption in which the form is freely imitable, when it is possible to introduce it to the form of the product of the variants which, while substantially losing the aesthetic value of the form,

allow to avoid confusion, whether burden of the imager to adopt such variants. This would avoid the danger, while allowing to take advantage of the attractiveness of forms, if they are not patent or the patent has expired. A part of the case-law therefore states that if the form is necessary to achieve some aesthetic value or utility, can be imitated - if the patent has expired or has not been requested - but only by providing variants that allow for differentiation as well as the entrepreneurial origin of the product. This is because the prohibition of slavish imitation only affects reproduction of the “individualizing” elements with distinctive capacities and, thus, suitable to indicate the origin of products. If it is not possible to break the aspects of product with ornamental value or utility from those with a distinctive value, the burden of making “innocuous” variants is imposed. The imitation of the aesthetic form of a product, therefore, would be unlawful only when the imitator could have made changes without prejudice to the aesthetic value and did not do so<sup>67</sup>. Therefore, part of the case law requires that, if a form present an aesthetic or utility value that is not, however, such as to allow patenting, to make modifications possible to imitate the product, in order to avoid any risk of confusion<sup>68</sup>.

#### 2.4 Modular products, patents and slavish imitation: G.U. Banaretti – Ritvik Toys Inc. case and Line Gig S.p.A, Gig S.p.A distribution and Toy Service S.r.l./Lego S.p.A and Lego System A.S<sup>69</sup>

With a citation act dated March 26, 1998, Ritvik Toys Inc., Line Gig spa and Toy Service srl, brought to trial before the Milan Court, Lego spa and Lego System A / S to hear and declare that the sale of bricks in Italy of “Micro Mega Bloks” and “Mini Mega Bloks”

---

<sup>67</sup> It is an act of unfair competition for confusing slavish imitation ex art. 2598, n. 1, when a product of exterior appearance is identical to that of a non-patented product, previously marketed, if, however, it is not possible to make the required variants. Beyond patent protection, there is, in our order, the prohibition of confusing slavish imitation; the principle of appropriateness of ideas is conditional on the adoption of suitable variants to exclude confusion between products, so as to cause the consumer to err in the actual origin of the product. The right to exploit the artistic value of the product of others, even though slavish imitation, only exists when the characteristics of the product are such that it does not allow the introduction of new connotative elements which could lead to a reduction in the value of the product or even to compromise its ability to Commercialization "(Trib. Florence, May 7, 1998, in *Giur. Ann. Dir. Ind.*, 1998, p. 3809).

<sup>68</sup> In the case of the imitation of a cabinet model, for example, it was stated that: "Failure to patent a product as a utility model would allow it to copy the functional idea of others but not copy the forms whose reproduction would simply result the indistinguishability of the products in the market. By leaving unchanged the functional solution of the closet - with horizontal sliding doors - however, in the face of an original aesthetic solution, it is necessary to introduce variants that avoid confusion in the market "(Trib. Milan, September 27, 1998, in *Giur Ann. Dir. Ind.*, 1998, p. 3833).

<sup>69</sup> Milan's Court, October 11<sup>th</sup>, 2001, in *Giur. Ann. Dir. Ind.*, 2002, p. 340 ff.

line, produced by Ritvik, compatible with “Lego” bricks and “Duplo” by Lego, does not constitute a violation of any rights (patents, trademarks or other type) belonging to Lego companies, nor it is a measure of unfair competition. Lego companies demanded the rejection of adversarial claims and the counterparts condemned for unfair competition in relation to the marketing of compatible bricks with Lego in Italy.

It is about deciding whether, after expiration of the patent that protects a modular system, either it is possible for competitors not only to use the innovative or inventive concept in it, but use it in such a way that you can connect or assemble your own products with those from the subject already possessing the patent in question. The modular systems are those products that are intended to be connected in order to produce a composite product and which have a utility not in itself, but only in the way they can combine with each other. There is concern that with the fall in public domain of an invention or a model that refers to a modular product, competitors, being admitted to an indiscriminate use of what is patent-protected at the time, are placed in the condition of being able to profit in a parasitic manner as they can produce modular elements. Doctrine and jurisprudence, recalling art. 2598, n.1, recognize extra-patent protection to the modular product.

The problem that has been felt by everybody is the co-ordination between patent protection and competition. To admit that, after the fall in public domain of a patent, a protection of competitive type can survive, involves the high risk of creating privates in an undetermined time. A possible mediation between the need to protect the individualizing capacity of such forms against their slavish imitation and, on the other hand, the need to avoid the consolidation of a protection, it has been seen in imposing the burden of adopting, in the practical realization, some variants that, even if they do not affect the functional or aesthetic value of the product, however they are worth in differentiating from that achieved by the original holder of the patent expired (the theory of innocuous variants). The Supreme Court has experienced that principle<sup>70</sup>, so that its decision implies that, after the fall of the invention in public domain, it is possible for competitors to resume the basic idea of the Lego, but not in the version used by the homonymous builder. The Supreme Court declared the lawfulness, at the expiration of

---

<sup>70</sup> It has stated that “... the producer shall experiment the possibility of add variants that, even if they distinguish the product from that of the producer, who is the first that realized such individualizing form, however they avoid the confusion aspect within the market. The competitor has the right to realize similar compatibility among its building blocks, in order to give birth to identical composition’s function. ...”

the patent, of the idea's resumption not of the shape of the product, and the illegality of marketing modular products compatible with those of the competitor. The Milan Court, however, does not share that decision: “under a competitive profile, it is lawful the production and the sale of modular products compatible with those of the competitor. Compatibility does not necessarily imply confusion and constitutes a specific utility, freely affordable in the absence of privatization”. The starting point is the principle of free competition and economic initiative that tolerates restrictions only for patented reasons (limited in time) or even competing (tendentially perpetual) but in in this case, exclusively for unfair procedures. It follows that the object of the patent, once fallen into public domain, must be considered freely reproducible in all its usefulness, while remaining susceptible to protection, for the prohibition of slavish imitation, only formal aspects with distinctive abilities and, at the same time, superfluous, technically insignificant, or arbitrary. In a product consisting of compatible bricks for building games, compatibility responds to a precise need inherent the product (the element of construction), which does not express any significance of utility considered for itself, but only in its union with other elements to form a more, or less, complex system. This compatibility therefore responds to a common interest of the competing producers and of the consumer audience, with the consequence that the resumption of the form and the size of the other modular product, designed to get compatibility with it, is competitive. Varieties of shape or size of a modular product that make this product not compatible with the modular series of competing, even in abstract realism, cannot be considered “innocuous” because they import the rejection of a specific utility, represented by compatibility. The invention of “Lego”, has one of its main utility features, and therefore of functionality, just the aptitude, achieved through a certain form and patented brick, giving rise to a modular system. The art. 2598, n. 1, states that the functional forms and those that give to the product a particular ornament are not protectable, according to the prohibition of slavish imitation. According to some, the concept of functional forms is limited to necessary forms, that are, abstractly indispensable to reproduce a particular product and the aesthetic or functional features that distinguish the patent that protects it; others, however, recycle useful forms in the sense of providing an advantage, improving the product in technical and / or functional terms. If in the concept of functional forms there are also useful forms, it results that the prohibition of slavish imitation, with respect

to them, cannot operate and that prohibition is reduced. Under the competitive profile, the consequence that would have the approach followed by Supreme Court is that who has in the past bought bricks “Lego” and wants in the future expand his/her collection, will always have to buy “Lego” products, and that also long after the cessation of the exclusive patent. Further, the consequence of this setting is that, forcing competitors to create its own modular series, which, at that point, will be protected exactly like “Lego”, will result in segmentation of the market in small monopolies, creating the same number of spaces not subject to competitive pressure and constituted for each enterprise by its own acquired customers. The adoption of compatibility standards, on the one hand, has the effect of enhancing the range of products offered potentially interlocked, thus representing an incentive for price competition, which should, on the other hand, improve market efficiency, to increase the degree of consumer satisfaction, that would be faced with a more diversified supply and at lower prices. The Court of first Instance also held that the distinction between modular elements and spare parts does not justify a difference in discipline which would imply that, while the compatibility of modular systems could not be freely appropriate, it would be freely avertible, on the contrary, the compatibility spare parts. The character of spare parts accessories, which cannot be found in the modular elements does not seem to justify such a radically different treatment. A first consequence of what has been said is that the affixing of products compatible with other modular pieces of the manufacturer's trademarks and the adoption of sufficiently differentiated packages with respect to those of Lego excludes any possibility of confusion or deceit for the costumers. The protection against the slavish imitation of the functional elements of a modular product is denied, once it has fallen into public domain, it is clear that the danger of confusion that the prohibition of slavish imitation is still generally called to prevent. At least, in the case of “Lego”, the decisive moment for assessing the confusion of the products is, as the Milan Tribunal finds, the choice and not the subsequent use of the product. It seems persuasive - the possibility of confusion, of the purchase and not after, when, so to say, “the games are made” - and therefore also shared. For all these reasons, the Milan Tribunal rejected the counterclaims and sentenced the defendants jointly to recover the costs of the proceedings.

## 2.5 Towards international patent system

Anyone wishing to acquire an exclusive registered patent on the invention in several states, can certainly file a national patent application in each country desired. This system, however, besides being very costly and complicated to manage, entails the risk that, in the time elapsing between the first deposit and the subsequent, can happen facts (third party deposits and prior-divulgations) that do not allow a valid registration abroad. Many states have taken steps to stipulate special International Conventions, to simplify and unify the procedures of patenting, with considerable savings in cost and time. The most important convention is the Paris Convention, signed in 1883 and then subsequently revised and updated; today more than 130 States, including Italy, join this agreement. The other two most important conventions, related more to Italian businesses are the European Patent Convention (EPC)<sup>71</sup> and the Patent Cooperation Treaty (PCT)<sup>72</sup>, better known as an international patent. These conventions only lead more easily and more rapidly to the granting of individual national patents. All these initiatives have been developed on the basis of the principles established by the Paris Convention, and its validity has never been questioned. There are some principles, that are considered valid for all of these initiatives:

- national treatment: (related to the citizens of the Union) each state undertakes to accord the same rights as its own nationals;
- the right of priority, a legal institution that finds its *raison d'etre* in the coexistence of a plurality of patented systems: the national patented systems, the European patent and the international patent. The right of priority is intended to protect the invention's novelty: if you want to get the patent in several states, the applicant would be forced to deposit the various national applications in the same day. To overcome this practical problem, which makes it difficult the purchase of a privative over an invention in several states, the Paris Convention provided the priority right; according to it, the one who files an application to get a patent in a state, has time a year from the filing date, to deposit identical patent applications

---

<sup>71</sup> The European Patent Convention, also known as the Convention sur *Extrait de brevets européens*, was signed in Monaco of Bavaria, Germany, October 5, 1973.

<sup>72</sup> The Patent Cooperation Treaty was signed in Washington, the United States, June 19, 1970

in the other participants states: the invention's novelty examination will in fact be carried out by referring to the situation existing at the expiring date.<sup>73</sup>

### 2.5.1 The rights conferred by TRIPS to patent regulation

The ultimate source in chronological order, whose importance is remarkable, is the agreement known as TRIPS agreement, concluded under GATT, including a series of ad hoc arrangements for the patent law. Given that the main purpose of the agreement on intellectual property in the WTO was to eliminate or, at least, reduce the differences existing between national legal systems of the various participating states, the body of rules forming TRIPS looks like a code of minimum standards on the rights of intellectual property; the member countries of the World Organization Commerce had to sign it, and follow it.<sup>74</sup> The entire second part is dedicated to Industrial Property Rights<sup>75</sup>, while in the first, dedicated to the general provisions, member states pledged to grant these rights a protection to that conferred by TRIPS. In the first part, article 7 stresses the objective of the agreement: the technological innovation, the transfer and the diffusion of technology<sup>76</sup>. Part II of the agreement is dedicated to copyrights and related rights, the trademark or trade name, geographical indications, drawings and industrial designs, patents, the topography, the control of anti-competitive practices and contractual licenses. Between the different materials under study there is no type of interaction, they

---

<sup>73</sup> In other areas of the world, finally, have developed systems similar to CBE or even with functions similar to those that would play the CBC. The Convention on European Patent for example, it brings together the countries of the former Soviet Union, while among African states were concluded two treaties Multilateral, the Convention OAPI (African Organization of the Intellectual Property) and Convention ARIPO (African Regional Industrial Property Organization). In all three of the above Conventions, may apply for patenting the citizens of countries other than Contracting, as is the case for the European Patent Convention. HJ Knight, *Patent Strategy for Researchers and Research Managers*, John Wiley & Sons, Chichester 1996, p. 25.

<sup>74</sup> Upon publication, the Press Organization commented: "The agreement recognizes that the huge difference between the provisions on the protection and enforcement of property rights intellectual, and that the absence of a multilateral framework of principles, rules and disciplines that would provide the international trade in counterfeit goods originated a series of tensions gradually stronger in international economic relations".

<sup>75</sup> The TRIPS Agreement is structured as follows: Part I - General provisions and principles fundamental; Part II - intellectual property rights; Part III - ways to enforce your rights Intellectual property; Part IV - obtaining and retaining the rights; Part V - prevention and regulation of disputes; Part VI - Transitional provisions; Part VII - provisions institutional.

<sup>76</sup> Article. 7 In fact, states: "The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual benefit of those who create and those who exploit the technical knowledge and, of Consequently, the social and economic welfare and to ensure a balance of rights and obligations".

are considered distinct and self-sufficient laws. The articles, from 27 to 34, are dedicated to patents<sup>77</sup>. The requirements applicable for an invention may be considered patentable, they are the same as required by majority of national legislations, which were inspired by the editors of the agreement of WTO. Where there is the novelty, inventive step and industrial applicability of the invention may be covered by a patent, although patentability is characterized by some exceptions<sup>78</sup> relating to diagnostic, therapeutic and surgical methods for the treatment of persons and animals and the procedures for obtaining plants or animals. Lastly, in the case of inventions whose patentability is excluded, the agreement indicates those whose application would be contrary to public order or goodwill<sup>79</sup>.

Once established what inventions can be protected, art. 28 indicates which rights are granted by a patent: if the patent relates to a product, its holder is legitimate to prevent third parties, operating without their consent, to manufacture, use, market and import or export such goods; likewise, in the case of a proceeding, its owner may prohibit the marketing of both the process and the product obtained by that patented method. According to art. 28, the holder has the right to grant or conclude licensing agreements. To obtain protection, the inventor will have to file a dossier containing an adequate description so exhaustive that any technician can, through these indications, faithfully reproduce the patented invention<sup>80</sup>. The duration of protection is not uniquely stated in

---

<sup>77</sup> S. Sandris, *GATT. Patents in the TRIPS (patent protection, minimum standards of protection, protection judicial, infringement of intellectual property rights, contents of patent rights)*, in Law Industrial, 1995, p. 338.

<sup>78</sup> Regarding diagnostic methods, therapeutic and surgical for the treatment of people and animals and processes for the production of plants or animals for which, as at the national level, it is excluded. Finally, in the group of inventions of which is excluded from patentability, the agreement indicates those whose application It would be contrary to public policy or morality.

<sup>79</sup> After determining which inventions are protectable, art. 28 shows which rights are conferred by a patent if the patent concerns a product, its holder shall be entitled to prevent third parties, operating without his consent, to manufacture, use, market and to import or export such goods; in the same way if it is a procedure, the holder can prevent third parties from both the marketing procedure that of the product obtained with the patented method.

<sup>80</sup>Duration the protection is not dictated uniquely by the Agreement, which merely impose those states that provide lower term protections for twenty years, to extend the period, calculated as from the date of filing. Finally, while article 34 concerning infringement actions, relies on the test load to the holder of the patent, all art. 39 is dedicated to the information withheld, the protection of which is depends exclusively on the business secret. All provisions on patents are further protected by the provisions contained in Part III of the Agreement, concerning the methods and ways to enforce intellectual property rights and constitutes one of the three essential pillars of the whole intellectual property legislation. The so they commit states to adopt procedures that allow timely and effective action against any kind of attack on deprivation of rights; they are including rapid correction measures intended to correct any imbalances or threats to these rights, without

the agreement, which merely imposes on those states which grant protection of less than twenty years, to extend the period to be calculated from the date of filing of the application. Finally, while art. 34 concerning counterfeiting actions, the test carries on the patent holder, all art. 39 is dedicated to information not disclosed, whose protection is exclusively entrusted to corporate secrecy. All patents are further protected by the provisions contained in the third part of the agreement, concerning the methods and means of enforcing intellectual property rights and constituting one of the three essential pillars of all intellectual property legislation. States therefore undertake to adopt procedures that will ensure timely and effective action against any kind of attack on privatization rights, including measures designed to correct any imbalance or threats to the rights without jeopardizing the deterrence of international trade. All procedures put in place by states must be balanced and justified, they should not be particularly complex and costly and should not cause unjustified delays or unnecessarily slow down procedures. Hopefully, with the time and progressive adaptation of the states to its provisions, the TRIPS Agreement can be an effective instrument for harmonizing the legislation of all the participating countries.

### 2.5.2 The Patent Cooperation Treaty

The International Cooperation Treaty Patent (Patent Cooperation Treaty - PCT), which was signed in Washington June 19, 1970 and entered into force January 24, 1978<sup>81</sup>, set up the international patent. The International patent does not give rise to a right to supranational deprivation, but it enables and facilitates the possibility of extending the coverage of patenting of an invention in almost all countries of the world, obtaining individual national patents. The PCT is a multilateral treaty administered by the World Intellectual Properties Organization <sup>82</sup>, based in Geneva, attended by about a hundred

---

the risk of discouraging international trading. All the steps taken by the Member shall be balanced and justified, they will not have to be particularly complex and expensive and will not result in undue delay or unnecessarily slow down processes. The hope is that, with time and the gradual adjustment of its United provisions, the TRIPs agreement can be an effective tool for the harmonization of the laws of all member countries.

<sup>81</sup> Simultaneously with the filing of the application at the National Office, you must make payment Initial fees, in euro, a foreign account recognized by the International Bureau.

<sup>82</sup> The World Organization for Intellectual Property Organization (WIPO in French, WIPO in English) is an international body linked to the organization of the United Nations, which oversees the actions intellect of protection put in place by all participating countries. It, together with Member States which so hand, develops an activity director in support of all concrete efforts worldwide and aimed at creating a favorable

states, based essentially on three points or prerogatives: the presentation of an international application, the holding of an international research and the conduct of an International Preliminary examination. With it, a central authority for the release of international patents is not established, but is unified the initial phase of the deposit of question: the question produces the same effects through a single deposit in all participant states. The procedure makes it possible to lengthen the time to consider the opportunity to address the costs associated with the extension in many countries of patent application for invention. The right of priority is applied when the applicant has filed a patent application in a patenting system (national, European or international) and wish to deposit more questions for the same invention (or an invention that encompassed by) in other states: if the examination of the novelty of the invention, in relation to the second application will be made with reference to the situation existing at the date of first filing. The prior right exists only if the placement of the second or additional questions, occurs within 12 months after the first deposit. The office of Geneva, also provides to anyone who wants to proceed with the deposit for obtaining the patent, a series of important information, the result of research carried out at the international level, concerning the novelty of the invention, as well as a non-binding opinion on patentability of the same. The application is filed at the national office of the country of which the applicant is resident (for Italy UIBM and the Chambers of Commerce)<sup>83</sup>. The receiving office checks the existence of formal requirements to receive the application and recognizes an international deposit date, indispensable to prevail over any subsequent applicants and to crystallize state of the art, in relation to which must be evaluated novelty and originality of the invention. Attributed to a given question, the procedure continues with an international research about the novelty and the originality of the invention, which constitutes a kind of non-binding opinion on patentability, very useful to enable the applicant to decide whether to continue with patenting. After

---

situation for the development of creative and innovative. There majority of treaties relating to intellectual property and signed worldwide, were concluded thanks continuous activity and planner WIPO: eg TRIPS, signed at the headquarters WTO have been concluded under the auspices, without whose intervention is unlikely It would have attained such a high level of international cooperation. On the origins and the historical evolution, on its activities and on treaties concluded under its aegis, see [www.wipo.org](http://www.wipo.org).

<sup>83</sup> In the case where it is the first patent application for a specific invention, the law Italian prohibits residents in the territory of the state, its storage exclusively abroad, except authorization of the Ministry of Industry and Trade, and in any case the filing abroad of application earlier than sixty days from the filing date in Italy, or the presentation the instance of the Ministry authorization.

eighteen months from the filing date of the application or the date of first filing of a patent application that is claimed as a priority in international patent application, the same will be published along with the report of research. The applicant will have to decide within two or three months of being notified of research report, and no later than 20 months from the date of filing International or claimed as a priority question, whether to abandon the procedure PCT to follow the traditional route of national multiple deposits, and therefore the proceedings before the individual national offices of the states, designated in the application and then obtain the relevant national patents, or if access to the next stage of the PCT procedure, in which an estimate international novelty examination is completed. If the holder decides not to give up the international procedure, may decide to appoint regional patents, valid for a group of states belonging to an organization with a regional character, which deals with registration and protection patenting<sup>84</sup>. The second phase, consisting of an international examination, prior to the release of an international patent, starts with presentation of the request for examination presented to the eighteenth month from the filing of question. The examination on the patentability requirements of novelty is based on the evaluation of the originality and the industrial invention, without which it enters in the particularities the different national rules. The judgment resulting from an examination of international application, submitted to the competent national authorities can be accepted tout cour or be subject to further examination, estimating the final judgment. On the base of the results, and other assessments carried out in the months to the completion of the procedure, the applicant may ultimately decide whether to address the individual procedures in the patent. In general, the followed path is that of a first filing of the national patent at the state of the applicant, so that, in the next twelve months where there is the right of priority, it will consider putting forward a question PCT, possibly completed and integrated with the latest developments of the invention. Presented the PCT application, we have over twenty or thirty months from first deposit to decide whether and in which countries, including those indicated in the application, patenting, taking account of the research report and the outcome of the International conducted on the application. The

---

<sup>84</sup> Accredited regional organizations are: the European Patent Organization (EPO), the African Regional Property Organization (ARPO), the African Organization pour la Propriétés Intellectuelle (OAPI) and the Euroasian Patent Office (EPO).

main advantage of the PCT procedure consists in the fact that when you are considering the possibility of patenting the invention in a plurality of states of different geographical areas, it allows to freeze the situation and maintain the right to request individual patents for many months through the initial or earlier application claimed as priority. From this brief procedural analysis, it is clear the net difference between this system and the system established by the EPC: while the European patent is granted by a central authority and has the same validity in each of the participant states of the Convention, the PCT only solves the problem of research, filing a single application (international) at a single patent office, in one language and subjects under tax claims of a single office. The decision to facing the high costs of patenting country to country can thus be postponed twenty or thirty months from the filing date of the international application documentation, which, however, will be transmitted to the central authorities, because they have the responsibility to the final decision to issue or not the patenting title. What you obtained by following the procedure PCT is a bundle of patents rather than a title unit, as it happens, in the field of marks, with the arrangement of Madrid, and its protocol. None of the two Conventions constitutes a means that complete the unification of patent rights. A decisive step forward on the unification road could be made with the entry into force of Convention on the Community Patent, which would give a true and unified deprivation supra, granted by a single procedure and entrusted to an authority unified judicial, stationed at the various national courts.

### 2.5.3 A choice between different procedures

When you must choose the PCT procedure and when it is better to opt for a series of national deposits or European patent? The range of possibilities protect an invention gradually widens and who are faced with this dilemma will have to carefully weigh the costs and benefits of one and the other alternative, to choose the procedure that best suits their needs. First remains valid the oldest of possibilities, consisting in depositing many national questions what are the countries where you want to get the protection. Or you can request a European patent, requiring the patent PCT, and including the patent plan Europe, in order to have the same question of protection for countries such as the United US, Japan, Brazil, Australia and others. Finally, it can be initially opted for a first deposit at the national level, then counting the twelve months granted to deposit European patent

application or PCT plan. The latter is by far the way most recommended. Each procedure has its main interlocutors and ideals: it will be up to each applicant identify which system will conform better to his needs. There PCT Convention is advantageous for example when the interests of the author are purely non - European and the number of states for which you want to apply proves high, at least more than ten. In fact, the PCT offers a simplification and an acceleration procedure, but involves an overall increase in costs. It is preferably a first basic question in the country of origin, rather than make immediately, as a basic question, a European patent application: the cost in this the latter case would be greater and foreign patents would have a shorter duration from one year to the extension of the term priorities. Even if you decide to follow the popular advice and make the deposit base at the national level and then decide, it is roughly estimated that it is convenient to choose the European patent rather than a series of national patents only when countries designated are at least four. Depending on the scope and availability Financial available, any firm or person applying for protection patenting, must carefully consider all the possibilities and opt for the one best meets their needs.

## 2.6 The European Patent

The European patenting system allows, with a single procedure, to obtain a patent effective in most European countries chosen by the applicant among those belonging to the Monaco of the European Patent Convention, in force in Italy since 1978. The system of the European patent allows to use a single procedure for the obtainment of the various national patents, but it does not give rise to any right of international design or supra: The applicant is the owner of a bundle of national patents, subject to laws and the jurisdiction of individual states designated by the applicant. An example may clarify the matter: those who get a European patent to be valid in the X, Y and Z, obtains, with a single procedure before the European Patent Office (EPO), a joint document which gives an exclusive right in those States, as if He had proceeded separately to the patenting in each of them; after obtaining the patent, but this must be considered, for each of said states, to like a national patent and is therefore subject to the discipline and the jurisdiction of local judges<sup>85</sup>.

---

<sup>85</sup> M. Barbuto, *European patent and the Community patent*, in Corporate Consultant, 1998, p. 25; Muir, Brandi, D'Öhrn, Gruber, *European Patent Law. Law and Procedure under the EPC and PCT*, Oxford

### 2.6.1 The Monaco of the European Patent Convention

The European Patent Convention (EPC) was signed in Monaco of Bavaria 5 October 1973 and entered into force on 7 October 1977 with a first group Seven Contracting States, which have been gradually added new members to Community, so that today are nineteen states members of the Convention<sup>86</sup>; with six of the European Central - Eastern countries were entered into special agreements the spatial extent of the protection conferred by the European patent<sup>87</sup>. Italy has acceded to the Convention from the beginning, ratifying, however, only in 1978 with Law no. 260 of 26 May and adopting the national implementing legislation by Presidential Decree n. 32 January 1979 8 104 .The purpose and the aims pursued by the Convention are to arrange for protection of inventions in the contracting states, in the easiest way, economical and reliable as possible, through the development of a single European procedure for the granting of the patent, on the basis of a homogeneous body of fundamental patented laws. This would solve the problem of multiple deposits: to this end the Convention creates a unified procedure granting of the patent, resulting in a prior examination by a European Patent Office, established by the Convention, in Monaco of Bavaria, in Germany, the Convention takes the form of an international agreement interpreted according to the principles of international law. As required by Art. 64 of the Convention, a European patent confers on its holder, in each contracting country for which it is issued, a set of equal rights those that would result from a grant of national patent. The title is granted configures more like a bundle of rights that as a single and unitary patent, effective for the entire territory of all member countries. The national court which evaluates the possible counterfeiting and invalidity: nevertheless, it is bound to Conventional legislation concerning the concept of a patentable invention, the requirements for patentability, the persons, the causes for the nullity and the procedure granting of the patent: the Convention on these aspects has planned to homogeneous standards application in the acceding States, sometimes differ from the national regulations. With

---

University Press, Oxford 1999; R. De Luca, *Small and medium-sized Italian companies to the penultimate place in Europe in the patent registration*, in the Industrial Law, n. 4/2000, p. 324.

<sup>86</sup> States to the EPC: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, UK, Spain, Sweden, Switzerland.

<sup>87</sup> The states, with which it is in force a special extension agreement, are: Albania, Latvia, Lithuania, Macedonia, Romania, Slovenia.

regard to relations with other international conventions, the principle of national treatment and the right of priority set out in the Union Convention Paris, are also implemented in the EPC. Also, since it is set up as a regional nature Treaty, European patents may be issued as a result of an international application, in accordance with the provisions of the Patent Cooperation Treaty. In particular with the Euro procedure - PTC, you can obtain a valid patent for all countries adhering to the EPC, with a single PTC deposit. It also constitutes the foundation of the Community Patent Convention, signed with the intention of exceed the limits of the Convention under review, but not yet in force because the reluctance of States on some procedural aspects. Finally, the Convention does not affect the existence of national patent offices<sup>88</sup>. It must be held that the European legal system does not replace the rights national, but constitutes a new patenting system coexisting with those. So, the holder is free to choose from several deposits in each of the countries for which requires the protection and the European process that, with only one deposit at a single Office, gives protection in each of the countries designated by him. The European Patent Organization (EPO)<sup>89</sup>, established by the same name Convention, has signed cooperation agreements with several countries outside the CBE; it is an extension system that offers to applicants for European patents protection even in these countries, in a simple and cost effective. In these patents have the same effects as national applications and patents and will benefit from the same the protection afforded by the EPO in the EPO member states. It provides that, in the near future, many other countries will be joined to the current six with which such agreements are currently in force. As for the European Patent Office languages of the Convention distinguishes, in principle, between official languages, the language of the procedure and language Official of a Member State, except for English, French and German. The three languages officers are English, French and German and in one of them must be filed The European patent applications. However, there are several exceptions to this rule Overall, allowing for example to a person domiciled in a Member State whose

---

<sup>88</sup> Article. 2 of the Convention provides that: "In each of the Contracting States for which it is granted, the European patent has the same effects and is subject to the same rules of a patent National granted in that State, unless this Convention otherwise provides".

<sup>89</sup> Establishing a branch agency EPO in Berlin entrusted with the receipt of all documents addressed to the EPO and balance of payments management taxes. Finally, as of 1 January 1991 it is in operation in Vienna a documentation center INPADOC, created a documentation center patenting and absorbed by the EPO following an agreement with Austria.

official language is other than one of the three mentioned above, to file the application in their own language. Should one of these assumptions being exploited and the application is presented in a language other than English, French or German, the holder will have a margin of three months beginning from the date of receipt of the request and published in the European Patent Bulletin, to present a translation, it declared perfectly consistent with the original text, in one of the three official languages. Their language of your choice from the beginning to the filing of the application or later, for his translation, will be considered the language of the proceedings for the entire proceedings before EPO.

#### 2.6.2 European and National Patent

The Convention far from suppressing national patents or replace them, pursues the objective to regulate the coexistence of the European system and the state. So much so that it is expressly provided and regulated the situation in which a patent forms simultaneously the subject of a patent application or a national patent and a patent application or European patent in which the two titles have the same date of deposit or benefit from the same priority date<sup>90</sup>. The Convention does not establish an unitary discipline but relies on several national legislators in charge of regulating the matters is how the Italian legislator has established that where a national patent protects the same invention covered by European patent, the Italian title ceases to carry out the its effect from the date on which the deadline for submission of the patent oppositions Europe has expired, or the date of conclusion of a possible procedure undertaken opposition, without the Italian title was granted, in the case of a date later than that referred to in the previous two assumptions.

---

<sup>90</sup> Art. 139 of the Convention.

### 3. THE PROTECTION OF PRODUCT'S SHAPE IN CHINA

With the “open door” policy of Deng Xiaoping and access in 2001, in the WTO, China overtook the landscape international, becoming an interlocutor for all the larger world powers. Thanks to or because of this opening, the Asian state had to change and probably improve its regulatory system in many areas of the IP and beyond. In 2001, it revised the Patent and Trademark Act, which were amended in 2008 and 2014 again. The same is true of the Copyright Act as amended in 2001 and again in 2010 following the WTO Panel's decision, in the DS / 362 case, which imposed on China modify certain provisions of the fourth section of the law because they are incompatible with the Berne Convention and the TRIPs. The reform cycle implemented has certainly brought about substantial improvements to the entire legislative and economic system. In the paragraphs below, we will try to identify the possible scenarios that Chinese state can consider in order to make a final turn to the year-long problem of the enforcement of IP rights.

#### 3.1 China between underdevelopment and innovation

BRIC is an acronym that refers to Brazil, the Russian Federation, India and China. Since the expression sounds similar to the English word “brick”, brick, the China defines these four countries as “Jinzhuang Siguo” (金四国) translated into “four countries a golden brick.” In the mid-1990s, dignitaries of India, Brazil and other developing countries were against the creation of TRIPs. They argued that the GATT was competent for the liberalization of “material” property rights, but not on PI, whose enforcement would be solely for WIPO. Therefore, prevention, in the fight against the sale of counterfeit goods, should have remained separate from the protection of IP rights in general. Moreover, if developing countries had to support the same bonds as developed countries, it would have been impossible for them to create a system of protection that would benefit their state. Even today, Brazil, Russia and India use the internal politics skillfully to evade the TRIPs dictum. China, on the other hand, has had a proactive attitude towards such obligations, especially in order to increase the number of exports. It has been granted to it by more than a hundred countries, after the entry into the WTO, the title of “most favored nation” and has laid the foundations for participating in global competition with fair and equal rules for all economic actors, so as to further increase its socialist market economy. It has

created a better environment for foreign investors that have increased the I capital invested and perfected the level of business management. All this makes it clear how access to the WTO was a pity for it Asian power, which has developed its own economic and industrial structure cultivating the socialist market system and improving the living conditions of own citizens. China has, to date, been a leading position in the protection of PI's rights over the other “BRIC Countries” and is strikingly close to that of many developed countries.

### 3.1.1 The Current Status of Intellectual Property in China.

China has been a member of the WTO for nearly fifteen years and progress has been made very significant. On 21 April 2011, the Chinese State Council press office organized a conference titled “The current state of protection of the IP”.

The most important representatives of the Chinese institutions participated in the event in this matter, as the Director of the SIPO (State Intellectual Property Office) that of SAIC and that of the National Copyright Administration (NAC). Tian Lipu, director of the SIPO, said that the Chinese government has undertaken the tremendous efforts to improve the level of IP, especially in the attempt to limit the acts of counterfeiting. However, one cannot deny that in some areas, especially in industrial ones, the phenomenon has not been eradicated and that, indeed, it is dramatically increased.<sup>91</sup> The Chinese government announced the launch of a propaganda program to raise public awareness of IP rights and raise citizens' awareness. The Courts, likewise, try to pursue a sort of judicial virtuosity in dealing with as much as possible cases in this matter. In 2011, the percentage of civil controversies reached at first instance without exceeding the set time limit increased by one percentage point to 98.57%. Regarding the Trademark Act, the twelfth five-year plan, the “shi er wu”, has greatly increased the number of recordings, usage, and protection and management, reinforcing regulatory provisions and improving, in general, the trademark system. The issue has reached its culmination with the emanation of the 2014 Law, which with its innovative system will increase the number of registered signs, reaching up to eight million. The number of disputes facing the judges is still rising, demonstrating a

---

<sup>91</sup> China has, however, greatly improved the statistics, the 2010 White Paper of IP Protection by Chinese Courts, which showed that, for example, Criminal Courts have ruled 3992 cases and issued 3942 judgments, with a total of 6001 people involved, including 6,000 convicted. Enforcement in civil cases was even more important. The Courts received 42931 cases, an increase over the previous year of 40%.

fervent activity in this field. In 2012, civil disputes increased by 46%, administrative charges by 20% and criminal penalties of up to 129% over the previous year. It will be interesting to see how and if the third reform will bring about the desired improvements.

### 3.1.2 The influence of the access to WTO

In the last years, the attempts to enhance the IP protection moved again from the multilateral to the bilateral one.<sup>92</sup> The EU and the US have played a key role in this area, using the ELIP clause to encourage developing countries to adopt high levels of IP protection, guaranteeing them easier access to the market by streamlining investment. The latter were almost obliged to sign FTA (Free Trade Agreements), which also contained provisions for the protection of industrial property. As most of these agreements contained more stringent checks than those contained in the TRIPs, they took the TRIPs-plus Agreement. The problem is that they generally do not contain the elasticity clause that would allow developing countries to take longer to fulfill the obligations imposed. There are no multilateral investment protection agreements now existent FTA and the enforcement of the IP is one of the first requirements demanded by the poorly developed, so the expansion of the TRIPs-plus Agreement seems inevitable. The problem is that, by corroding the system of multilateral agreements, they are destroying the original IP protection system, initiated by many parties. China has not yet signed any bilateral treaty with other states, but when it comes it will have to undergo pressure from them failure. Considering what has been said so far, the States and the EU are using TRIPs plus as a political means to gain advantages that might not reach through TRIPs. To convince developing countries to sign such agreements, financial aid is offered to technology cooperatives, the problem is that they often exceed the needs of the latter. Another risk is to fall into the trap of the so-called “Spaghetti Bowl Effect”.<sup>93</sup> Such expression has two meanings: on the one hand, it is an international economic policy phenomenon that refers to the complications that may arise in the application of rules of national origin in the

---

<sup>92</sup> Again, because China after its initial isolation, has begun to entertain bilateral agreements with the most important international subjects and only by entering the WTO the situation changed and moved to the multilateral plan.

<sup>93</sup> This term was first used by Jagdish Bhagwati in his 1995 article: The Infatuation with Free Trade Agreements. He referred to how only half or all of the finished products are delivered to the various FTA networks using a tariff differentiation in an attempt to export the finished product to the country of consumption at a lower price. This weaved line was imagined and compared it to spaghetti wafers tangled in a bowl.

signing of an FTA. This effect leads to discriminatory economic policies, since it is subject to different tariffs and tariff reductions on the basis of national preferences. On the other hand, it is a phenomenon that would impose a series of deadly annulling duties on China following its entry, as a contractual part, in an FTA. This would sign the agreement with a single state, but since this country would probably be a member of the WTO, according to the principle of the “most favored nation”, it would oblige the state of Asia to ensure the same treatment. Specific to all members of the organization, even those with whom it has no bilateral agreement. For example, if it decides to sign an agreement with India, there would be one “Spaghetti Bowl Effect”. China would be obliged to bring India into the proper financial market as a result of the MFN principle. We assume that India will subsequently make the same covenant with the United States, the latter would enjoy favorable status not only against the State with which the pact was concluded, but also with regard to a third party, in China, since both are members of the WTO. It also, unwillingly, would have to open its market to the USA and its businesses, with negative consequences for their own economy.

### 3.1.3 Strategies Proposed by China After the Implementation of TRIPS

China, considering the risks seen above, must maintain a prudent approach to conclude any bilateral agreement or international conventions containing the TRIPs-plus Agreement. These have made it weak and ineffective the use of the TRIPs elasticity clause for developing countries. The clause allowed them an uncertain degree of freedom in the enforcement of their domestic policy and legislation. However, even though Asian power has established a trademark protection system that is very close to the standards required by these treaties, inevitably their possible marking would little freedom to act with specified policies. A state that has always been free to enact laws would certainly have diminished its sovereignty because of the binding rules of the International Treaties.<sup>94</sup> If TRIPS are analyzed in depth, we realize how the treatment granted to developing countries is, in fact, illusory and unbalanced. China should take advantage of the protection afforded by the elasticity clause defend the public interests of your country and counteract the position predominant of developed countries. Moreover, its current IP

---

<sup>94</sup> For example, Australia, after signing an FTA with the United States, had to completely modify its patents legislation only to cope with the strong criticisms and convictions reported by the latter.

system is based on special laws and should instead find its extrinsic nature in a code that uniformly regulates all matter. It is true that economic knowledge has made enormous improvements and that the IP has reached a predominant position, but this final step would be the crowning of a process begun twenty years ago. TRIPs have innovated the previous international conventions in many such as copyright, trademarks, geographical indications, patents, design and many others. The real and most important step forward would be to modernize the IP protection system and to set up a system of better and more efficient dispute settlement. TRIPs have not only become the parameter for multilateral protection of this matter, but also symbolize the effort of improvement and growth, felt throughout the international landscape. They have allowed China to revolutionize its system by becoming a milestone in the development of its legislative and judicial apparatus. The road to take seems to be the right one and in the coming decades it could guarantee Asian power that leap of quality, which would enable it to move from developing country to the world leader in international trade.

### 3.2 Design and its protection in Chinese patent law

China is now also the largest exporter of goods, being called the “World’s Factory”, and the second largest importer of goods with a growing consumer market. Thus, now China may be depicted as a land full of opportunities, but at the same time hiding many hazards, especially for foreign enterprises. Indeed, China is considered the major producer and exporter of counterfeit goods, being for instance the country of origin of 70% of fake goods seized by EU customs authorities.<sup>95</sup> Counterfeiting is today used as an umbrella term for many different phenomena, ranging from proper trademark infringement, to copying of trade dress, unfair competition behaviors and noncompliance of contracts. In this chapter, I try to analyze the way through which Chinese people protect and safeguard its own industrial design invention. And, as we have already said, the main way to protect an invention is through patenting it.

The patent term refers to the legal title which constitutes the right to privatize a technological innovation by attributing to the holder the production, commercial and industrial use of artifacts or process applications, obtained in accordance with new and

---

<sup>95</sup> *Report on EU customs enforcement of intellectual property rights 2011*, p. 15.

original technical solutions. As the same term “industrial property” stands out, the economic exploitation reserve of patented technology allows the assimilation of the invention, guaranteed by the privatization, to the ownership of an asset governed by the right of property.<sup>96</sup> According to the Convention of Paris in 1883, industrial property has the right to distinctive signs, inventions and models, in addition to the repression of unfair competition.<sup>97</sup> It has already been reported that the drafting of international law and the management of administrative services and industrial property rights are from 1967 to WIPO, which promotes cooperation between the Member States of the Paris and Berne Unions.<sup>98</sup> WIPO defines the patent as a document issued by the national administrative authority on the applicant's claim, which describes an invention, giving the holder the exclusive right to exploit it economically.<sup>99</sup> An invention is an idea of solution to a technical problem, consisting of a new product or production process. For the purposes of patenting, the invention must meet the requirements of lawfulness, sufficient description in the patent application, novelty, originality (cf. inventive step) and industrial applicability. It should be noted that the patent owner does not ipso facto acquire the right to implement its invention, but to prevent similar initiatives from third parties: implementation depends on compliance with national law and should not be contrary to public order and good costume.<sup>100</sup> As a result of the legislative disparity between the WIPO Member States, it can be stated in general that patent protection concerns only inventions, while certain systems recognize it also to utility models<sup>101</sup> and industrial design<sup>102</sup>. The utility category is defined for a specific difference with respect to the invention, since it requires a lower level of originality and enjoys a shorter duration

---

<sup>96</sup> On privatization as a “legal administration technique of technological innovation” and on the notion of patent see Spada in Aa.Vv., *Industrial Law. Industrial Property and Competition*, op. cit., p. 22-25.

<sup>97</sup> See the art. 1 co. 2° of the “*Convenzione di Parigi sulla Tutela della Proprietà Industriale*”: [http://www.wipo.int/export/sites/www/treaties/en/ip/paris/pdf/trtdocs\\_wo020.pdf](http://www.wipo.int/export/sites/www/treaties/en/ip/paris/pdf/trtdocs_wo020.pdf)

<sup>98</sup> See art. 3 of the WIPO's Institutive Convention, available at: [http://www.wipo.int/export/sites/www/treaties/en/convention/pdf/trtdocs\\_wo029.pdf](http://www.wipo.int/export/sites/www/treaties/en/convention/pdf/trtdocs_wo029.pdf)

<sup>99</sup> See *WIPO Intellectual Property Handbook: law, policy and use*, 2004, p. 17.

<sup>100</sup> The International consensus on the point finds expression in the art. 27 co. 2° TRIPs Agreement.

<sup>101</sup> For example, the Italian order accords patent protection to the utility model and defines it as follows: “The idea of solution to the specific technical problem of conferring particular efficacy or convenience of application or use by intervening on the shape of machines or parts of them, of tools, tools or objects of use in general”.

<sup>102</sup> Italian law does not recognize patent protection for industrial design, but establishes a right of registration, which concerns: “The appearance of the entire product or part of it, as is apparent in particular, by the characteristics of the lines, contours, colors, shape, surface texture, or materials of the product or its ornament.”

protection, usually limited to ten years.<sup>103</sup> In the first approximation, the concept of design indicates the creative activity that gives an ornament to an industrial product, making it desirable to the public as well as merely functional. In a strictly legal sense, WIPO refers to the protection of design as a right recognized in the patent protection, or independently, to the exclusive exploitation by the creator of ornamental and non-functional elements of an industrial product. The aesthetic aspect is considered deserving of protection as it is a decisive factor in orienting consumer choices in areas where many products would be equally suited to meet technical requirements. Design protection allows you to reward your company's investments, boosting your creative efforts, and guaranteeing the right to differentiate on the market for each operator. The TRIPS Agreement, a necessary benchmark among international intellectual property sources, requires Member States to make patent protection available for any invention, product or process, in any technological field, provided it meets the requirements of novelty, originality and industrial applicability".<sup>104</sup> While the utility model category is not explicitly considered, the industrial design discipline is contained in Art. 25 TRIPs, according to which the signatory parties are obliged to protect "new and original" ornamental designs, provided they are different from known designs and their features are not imposed by technical or functional requirements. Chinese law guarantees patent protection, setting up privatization rights for inventions, utility models and industrial design. According to art. 2 patent law means the "new technical solution relating to a product, process or combination thereof"; whereas the utility model consists of a "new technical solution relating to the shape of a product, its structure, or a combination thereof, capable of practical application"; finally, the term design means "any new configuration of the shape of a product, its design or a combination of the same, that is, the combination of color and shape or design of a product that creates an ornament and is susceptible to industrial applicability". The subject of the analysis was introduced, and the evolution of the internal regulatory framework is examined, highlighting the convergence with respect to the standards of protection established by WIPO and the WTO.

---

<sup>103</sup> See the *WIPO Intellectual Property Handbook*, op. cit., 40. The list of member states that follow the utility model category is available at: [http://www.wipo.int/sme/en/ip\\_business/utility\\_models/where.htm](http://www.wipo.int/sme/en/ip_business/utility_models/where.htm).

<sup>104</sup> Art. 27 TRIPs.

### 3.2.1 The patent law regulation: industrial innovation and design

The industry of industrial deprivation in China has been deeply innovated in the 1980s, first with the promulgation of the Trademark Act in 1982, followed by the Patent Act 341 in 1984 and the Implementation Regulations the following year. As a result of a debate on the compatibility of patents with the socialist economic system, the orientation that attributed a technical nature to law prevailed, considering it useful for Chinese technological and scientific development. The new text thus embodies the principles of exclusive rights to the economic exploitation of inventions, utility models and industrial design, subject to the submission of a patent application to the SIPO, according to the first to file system.

The Chinese system assigns to the SIPO the function of presiding over patent issuance and the administration of the system of privatization for technological innovations and industrial design on a national scale.<sup>105</sup> Patent issuance is a necessary condition for obtaining the exclusive right to economic exploitation of the invention or the ornamental pattern that the proprietor of the patent can report by naming the patent identification number on the product or its wrapper together with the indication in the Chinese language 专利 产品, indicative of patent protection.<sup>106</sup>

The decision of the 1984 Law to regulate ornamental patterns together with technological innovations, peculiarities of Chinese law, simply responded to a criterion of practicality and legislative economy aimed at ensuring full compliance with the Paris Convention, which governs in a framework unitary the whole corpus of industrial property.<sup>107</sup> The term invention designates the ideas of solution to a technical problem relating to a product, to a process or to an improvement thereof; while the utility model indicates the idea of solving a technical problem related to the shape of a product, its structure or combination of them.<sup>108</sup> Industrial design refers to the design of a new shape, a new design or a design the combination of color and shape or color and design, which has an aesthetic value and is likely to be industrial application.<sup>109</sup> In order to gain patent protection, innovation must

---

<sup>105</sup> See art. 3 on Patent Law.

<sup>106</sup> Art. 17, co. 2° Patent Law.

<sup>107</sup> As Ganea-Pattloch note in, *Intellectual Property Law in China*, op. cit., p. 9.

<sup>108</sup> Art. 2, co. 2° e 3° Patent Law.

<sup>109</sup> Art. 2, co. 4° Patent Law.

comply with the requirements of law compliance, moral and public interest, to the rejection of the application.<sup>110</sup> The requirement of compliance with the law refers to art. 25 Patent Law, which prevents the creation of privates for scientific discoveries, principles and methods for intellectual activities, and diagnostic and therapeutic methods for pathologies. An analogous prohibition applies to plant species and animals as such, while the processes used in plant synthesis and animal treatment are patentable.<sup>111</sup> Patent protection also excludes products obtained from nuclear transformation processes and, as a result of the third amendment, color combinations and two-dimensional shapes, constituting product labels.<sup>112</sup> Post compliance with the requirements of art. 5, the privatize is released for inventions and utility models that respect novelty, originality, and practical applicability.<sup>113</sup>

The criterion of novelty is considered in relation to the state of the art, that is to say, all the knowledge known to the public both on national territory and abroad, at the time of filing a patent application and filing any previous patent applications of third parties.<sup>114</sup> Article 24 on the Patent Law states that certain facts, even though they involve the disclosure of innovation, are not destructive to the novelty and do not affect the regularity of the patent application submitted within the following six months: this is particularly the case during an international exhibition recognized by the Chinese Government, of the first disclosure during a scientific conference and dissemination not authorized by the inventor.<sup>115</sup> The requirement of originality of the invention with respect to the prior art implies the possession of distinct substantive features and the achievement of considerable technical progress, while for the utility model there are sufficient substantial

---

<sup>110</sup> If the implementation of the invention would cause, for example, significant environmental pollution and a danger to public health, the SIPO would deny approval. Inserting into art. 5 Patents Law as opposed to the laws of the state as a condition for registration, the Chinese order appears more restrictive than Art. 27 co. 2 of the TRIPs Agreement, which merely refers to public order and ethic.

<sup>111</sup> The RPC has ratified the International Convention for the Protection of New Varieties of Plants in 1999. In accordance with these developments, it has legislated the processes used to synthesize new plant varieties with the second amendment to the Patent Law in 2000. This topic is discussed in Chen J., Chinese law: context and transformation, op. cit., p. 587-589; Kariyawasam, Chinese Intellectual Property and Technology Law, op. cit., p. 37.

<sup>112</sup> Art. 25 Patent Law.

<sup>113</sup> Art. 22 Patent Law.

<sup>114</sup> It is recalled that the third amendment replaced the standard of the relative novelty, which left open the possibility of patenting in China of unofficial non-official inventions abroad, with the rule of absolute novelty, which considers the destruction of the novelty the pre-flashing anyway abroad, to put an end to the phenomenon of patent hijacking.

<sup>115</sup> Art. 24 Patent Law.

features and less technical progress.<sup>116</sup> The concept of “distinct substantive characteristics” implies that an expert in matter cannot achieve the same result with a limited research work or combining the technical solutions already available.<sup>117</sup> “Significant technical progress” is seen for innovations that overcome the limits of existing technology or represent a new trend in technological development: it particularly refers to inventions that improve product quality, increase production efficiency, enable energy savings or reduce pollution.<sup>118</sup> As far as utility models are concerned, it is clear from the definition itself that only product innovations, and not production processes, may be the subject of such privatization; however, without this aspect, the utility model possesses similar properties to the invention, yielding substantial characteristics and making some technological progress in the industrial branch to which it applies.<sup>119</sup>

To distinguish between the two types of technological innovations, for patent protection, reference is made to the technological sectors considered and the documents examined in the search for anteriority. In the case of inventions, the analysis of the substantive characteristics and the remarkable progress it must look at the technical solutions already available in all areas that would consider a matter professional, driven by the need to solve the specific problem.

In the case of the utility model, however, it is sufficient to ascertain the substantial characteristics and the technological progress limited to the sector to which innovation belongs. Secondly, the requirement for creativity for an invention implies comparison with various relevant scientific documents and publications, with respect to which the originality of the proposed solution must be evident; while for utility models the analysis can be limited to the finding of originality in the shape or structure of the product, with respect to the state of the art. Thus, in the SIPO practice, the invention meets the requirement of creativity if it is not obvious or easily deductible even for an expert, author

---

<sup>116</sup> Art. 22, co. 3rd Patent Law.

<sup>117</sup> The SIPO considers that the requirement is unusual if the solution belongs to the common heritage of knowledge in order to solve the technical problems of the sector. Therefore, the request for an architectural component made of aluminum, which meets the technical problem of reducing the weight, could not be accepted of building materials. Aluminum is, in fact, known for its lightness and is commonly used to make architectural elements, so the applicant would simply combine two known properties without making any significant progress.

<sup>118</sup> See Guidelines for Patent Applications Examination, op. cit., p. 200-

<sup>119</sup> As the SIPO Guidelines says: “The creativity requirement for the utility model must be less than an invention” op. cit., p. 490.

of a thorough and extensive research into the various relevant scientific fields; Instead, examining utility models is limited to the industry to which the technical solution is located. The third condition provided for by art. 22 to gain access to patent protection is practical applicability, synthesized in the faculty of “realizing and using” a technological innovation that produces “real results”.<sup>120</sup> The call to innovate is related to product inventions, while the possibility of using the invention refers to the inventions of the process, and in both cases, is the use in the business activity.

The achievement of actual results indicates the objective suitability of the invention to contribute positively to the socio-economic development: since practical applicability is the sole purpose of guiding the inventor's activity if the implementation of innovation is useless or damaging, the patent application would be rejected.

The requirements for issuing a patent for industrial design are specified in Art. 23 Patent Law, according to which the ornamental model must comply with the novelty requirement, so no previous request for protection by SIPO from third parties should be filed on the same design. The concept of novelty is, by virtue of the third amendment, similar to the patent for invention, that is to say, with regard to ornamental patterns available to the public in China or abroad at the time of submission of the application.<sup>121</sup> Secondly, Art. 23 co. 4 ° stipulates that the request cannot be in conflict with the rights acquired by third parties prior to the application for registration, with reference to trademark and copyright rights; therefore, no patent may be granted for a design identical or similar to a registered trademark or a work of art.<sup>122</sup> The requirements of legal certainty nevertheless require the PRB not to accept the patent revocation requests that are not accompanied by an administrative or judicial act attesting to the infringement of trademark or copyright law.<sup>123</sup> This is a legitimate solution that can be shared, as it can be used to ascertain the possible violation by preliminary, through the AIC ruling or the outcome of the judicial proceedings. In accordance with the outcome of the dispute, the PRB may decide to withdraw the patent for design which violates the right to use the registered trademark exclusively.

---

<sup>120</sup> Art. 22, co. 4° Patent Law.

<sup>121</sup> Art. 23, co. 4th Patent Law. See also Ganea-Pattloch, *Intellectual Property Law in China*, op. cit., 20.

<sup>122</sup> The possible contrast between industrial design and a trademark or artwork has been the subject of Supreme Court Interpretations on Dispute Resolution in the event of a conflict between a registered trade mark or a prior name and a social security right issued on 18 February 2008.

<sup>123</sup> Art. 66 co. 3th Rules of Procedure Patent Law.

### 3.2.2 Originality of Chinese design

The patent's originality within Chinese designs is seen as a design which is "distinctly different" from existing ones or combinations of their features: and this constitutes a significant difference with respect to Community law (and to the Italian national one), which instead considers the model of an individual character if the informed user experiments a feeling other than that generated by any design which was disclosed prior to the date of filing of the application for registration<sup>124</sup>. In both systems, however, the assessment (of Chinese originality / individual Community character) is based on the general impression that design gives to, even if in Community law is usually considered the perception of the informed user of European Community and in Chinese law that of the Chinese "normal consumer".

Therefore, by comparing the definitions of the individual Community / national requirement (Article 6 Reg. 6/2002, Article 33 CPI) and that of Chinese originality, two fundamental differences can be identified, the way in which the examination is carried out in relation to the anteriority and the perspective from which this examination is carried out. First of all, in the system outlined by Chinese law, unlike the Italian and the Community rules, the evaluation of originality can be made even by combining more fronts, through a real "mosaic" of different models. The difference is not of little importance if it is considered that both Italian and Community law have long been clarified as the judgment on the individual character of the models does not allow them to "combine" their very different and distinct precedents. The ability to combine the forefront of Chinese "normal consumer" would thus be a characteristic of a designer rather than a "normal" consumer.

As far as the second difference is concerned, it is known that in the Community order the individual character is evaluated from the perspective of the informed user. This figure, whose characteristics are not defined either by art. 6 of EC Regulation n. 6/2002 or art. 33 CPI, finds a clear definition in the case-law of the Community that, "*as regards the interpretation of the notion of an informed user, it must be considered that the user quality implies that the person concerned uses the product in which the design is incorporated with the purpose for which the same product is intended*" and that "*the adjective*

---

<sup>124</sup> See art. C.P.I., commented in Bogni, *The Individual Character of the Design*, 483 pp. see also the comment to art. 6, Reg. 6/2002 by Boscarol, *The Individual Character*, there, 2089 ff.

“informed” also suggests that without being a designer or technical expert, the user knows the various designs or models existing in the reference sector, a certain degree of knowledge of the elements that these designs do in practice, and because of its interest in the products in question, proves a relatively high degree of attention when using them”(T. CE, 22.6.2010, T-153/08)<sup>125</sup>.

At least at first sight, very different seems to be the perspective that is considered in the Chinese order for the evaluation of originality (and, unlike the Community / national system, also of novelty), that is, of the c.d. “normal consumer” (“一般消费者” - Yībān xiāofèi zhě)<sup>126</sup>, which for many years represents the prospect of evaluating the validity of a design in Chinese law. Indeed, during the approval of the Third Patent Law Reform (2009), it has long been discussed about the possibility of abandoning this figure, at least as regards the common knowledge of design and commonly used design methods incorporating the patent concerned its filing date.

Despite the efforts of a certain part of the doctrine, however, it has never formally come to this reform: both in the amended patents law and in the implementation regulation of the same, nothing is said about this figure, remaining this - as will be further discussed below - also indicated in the 2010 Guidelines under the name of “normal consumer”<sup>127</sup>, confirming the intrinsic design diversity compared to the patent for invention and the patent for the Chinese utility model: the novelty and originality of the latter are not evaluated from the perspective of the “normal consumer” expected for design assessment, but from that of the “skilled in the art” person<sup>128</sup>. However, this term of “normal consumer” should not be deceived, especially following the modification of the patent law, which has supplemented art. 23, para 2, with the term “distinctly different” (or according to other “significant difference” translations), thus increasing the originality of the model, which will have to be significantly different from the previous ones, and the modification of the

---

<sup>125</sup> Bogni, *Il carattere individuale del disegno o modello*, in Galli-Gambino, *Codice commentato della Proprietà Industriale e Intellettuale*, cit., 489.

<sup>126</sup> The most consistent translation with the letter of the standard is certainly a “normal consumer” - the term which is more widespread in English-speaking articles dealing with the issue - rather than “average consumer”/average consumer (普通消费者 - Putōng xiāofèi zhě), the most pertinent figure in the evaluation of competitive practices unfair.

<sup>127</sup> Li Yanrong-Cen Hongyu-Jiao Yan-Liu Xiaojun, *Latest Development in Trial of Patent Cases before the Beijing Higher People's Court in 2009*, in *China Patents & Trademarks*, n. 3/2010, 9.

<sup>128</sup> Zhong Hua, *A Study on Improvement of Design Determination Methods*, cit., 31-32. See also the *Guidelines* del 2010, Part II, Chapter 3 and 4.

2010 Guidelines, which integrated the cognitive skills of the “normal consumer”, recognizing the ability to analyze the validity of a model based on “commonly used design methods including design transformation, mosaic, replacement, etc.”<sup>129</sup> In the 2010 Guidelines for Patent Examination (hereafter, for simplicity, also the 2010 Guidelines) is specified that the conformity of the design patent to the first (novelty) and the second (originality) paragraph of Art. 23, “shall be made according to the knowledge and cognitive capability of a normal consumer of the product incorporating the patent concerned”, specifying that “different categories of design patent products have different consumers”.

Incorporating a design shall have the following characteristics: the first is common knowledge of the designs and commonly used design methods incorporating the patent concerned its filing date. For example, a normal consumer of cars shall know about the cars on the market and have general information of those available from frequently shown advertisement in the media. The types of commonly used design methods include design transformation, mosaic, replacement, etc. the second is a certain capability of distinguish the differences in shape pattern and color between design patent products, but without notice to the minor differences in shape, pattern or color of products”.

It should also be noted that while in our order it is possible to distinguish between the pattern and the color of the design patent products, in Chinese law this is not so immediate since the figure of the “normal consumer” is not regulated by the patent law but only in the above-mentioned Guidelines of 2010 that outline the figure of the “normal consumer”. In addition, the Guidelines are complemented by the interpretation on several issues concerning the law application on adjudication of disputes’ cases arising from the infringement of patent rights issued by the Supreme Court at the end of 2009 (hereinafter, for simplicity also the Interpretation). However, there is no definition of this figure in the Interpretation, nor a reference to the definition of “normal consumer” provided by the 2010 Guidelines: at first sight, there would be a clear legal gap that leaves the “normal consumer” counterfeiting in a sort of limbo. However, both in doctrine and jurisprudence the gap has been filled through a systematic interpretation of the norms that highlighted the identity of the subject from whose perspective the infringement is judged and the

---

<sup>129</sup> Part IV, Chapter 4, Paragraph 4.

judgment of validity<sup>130</sup>. The aforementioned position, certainly not the majority, is not unanimous: an interesting example is the 2013 Guidelines for the Determination of Patent Infringement, where Beijing's High People's Court is trying to bridge the gap in Interpretation by providing a further definition of the “normal consumer” cognitive skills in the judgment of counterfeiting, specifying that this should have not only a specific knowledge of the sector of which a certain design is concerned but also the developments of the same before the patent filing date<sup>131</sup>.

These Guidelines were anticipated by the Opinions on Multiple Issues Relating to Patent Infringement Adjudication of 2001 and the 2008 Guidelines on Multiple Issues Relating to Adjudication of Design Patent Cases; in particular, the Beijing High People's Court defined the figure of the “normal consumer” as that subject “who benefit from the physical effect of the products identical or similar to those incorporating the patented design” (Article 16), thus explaining one of the theories - the “state of use theory” - which is still at the jurisprudence level and which is in fact regularly followed by the Beijing High People's Court<sup>132</sup>. In order to clarify the figure of the “normal consumer”, then it cannot be agreed with that part of the Chinese doctrine that calls for the intervention of the Supreme Court through its interpretation that can once more make clear the definition of “normal consumer”<sup>133</sup>.

### 3.2.3 Non-patentable design

Illustrated the patents law, will be analyze the protection system of industrial privatization planned in Chinese system, structured on the dual track administrative and judicial, better

---

<sup>130</sup> In jurisprudence see the decision of the High People's Court of Jangsu Province, Suminsanzhongzi, 0061/2007 quoted by Zhang Xiaodu, *How to determine “Average Consumers”* in Design Patent Infringement Establishment, in *China Patents & Trademark*, 1/2011, 43. The decision of the High People's Court concluded in the same sense as the Intermediate People's Court in that the assessment of originality should be carried out from the perspective of the pedestrian, thus confirming the orientation of the High People's Court in Beijing and the Supreme Court same theme as a valid judgment.

<sup>131</sup> V. IP Newsletter 2013, su [www.zhonglun.com](http://www.zhonglun.com)

<sup>132</sup> Zhong Hua, *Study on Harmonising Design Patent Affirmataion and Infringement Standard in China*, *ibidem*, 51; Zhang Xiaodu, *How to determine “Average Consumers”* in Design Patent Infringement Establishment, *ibidem*, 43; *The Opinion of the Third Civil Tribunal of Beijing Higher People's Court on Several Issues Relating to Trial of Design Patent Cases*, in Qian Feng, *Research on Hearing of IP Litigation in China*, Beijing, 2009, 314.

<sup>133</sup> Deng Ming, *Design, in Patent Law in Greater China*, in Stefan Luginbuehl, Peter Ganea, Cheltenham, 2014, 389-390.

known as a “dual track system”. The violation of intellectual property rights is realized in the case where a third party abusively uses the other work of the inventor. The owner of the industrial estate, complain of the violation, has the right to settle the dispute out of court, through an attempt to private conciliation<sup>134</sup>. In the case of negative outcome or counterpart’s refusal, the Chinese system mainly offers dual protection, administrative and judicial, in order to reintegrate the holder of the exclusive in his power of economic provision of goods, while also providing the opportunity to resort to criminal and customs duties in order to obtain the protection of legal situations. The Patent Law dedicates, in Chapter VII (专利权的保护), a detailed framework, covering the rules of ordinary judgments and administrative procedures, precautionary measures and patent infringement sanctions. The law contains a specific norm, Art. 11, inserted in its general provisions, which identifies the various cases of breach of a patent. This rule prohibits, in the case of patents for invention and utility models, that third parties, in the absence of the patent holder's permission, may: produce, use, offer for sale, sell or import patented products; use the patented procedure; use, sell or import products obtained directly with the patented process. The concept outlined above is found in judgment no. 55/2013 issued by the Supreme People's Court of Shanghai, R.P.C. on July 16, 2013<sup>94</sup>.

The protection core (保护范围) needs to be identified through the claims that form the main part of a patent and should be read in the light of the descriptions and the drawings attached to the question<sup>135</sup>. To incorporate the legislative provisions, the Supreme Court intervened in 2009 with the Interpretations on many issues relating to the application of the law on patents relating to patents<sup>136</sup>. Since Art. 60 does not provide precise information on the practices of illicit exploitation, Courts determine the scope of protection for an invention or utility model in accordance with the claims of the patent application.<sup>137</sup> In order to assess the conduct of the conduct with respect to Art. 60, Supreme Court called on the judiciary to adopt the interpretation of patent claims,

---

<sup>134</sup> In China, it is preferable to conciliation or mediation out of court, that is, an alternative form of justice to the state that is suitable for the resolution of civil disputes. For a closer look, see Renzo CAVALIERI, *Lettere diritto cinese*, quoted, p.7.

<sup>135</sup> Art. 59 *Patents Law*.

<sup>136</sup> The text of the Interpretation of Supreme Court, issued on December 21, 2009, can be consulted in Chinese, at: <http://www.chinacourt.org/article/detail/2014/07/id/1355338.shtml>.

<sup>137</sup> Article 1 of the Interpretations on certain issues relating to the application of the law in patents relating to patents.

followed by a technician with ordinary knowledge in the field considered.<sup>138</sup> If the examination of the claims leaves doubt, the Court must adopt the commonly followed interpretation by technicians of the subject, supported by the available scientific publications.<sup>139</sup> The 2009 Interpretation reiterated the applicability of the “doctrine of equivalent” in the Chinese order<sup>140</sup>: for the purpose of the recognition of the patent infringement, it implies the assimilation of a technique element to another element, only apparently different, but equivalent to the functional point of view. The theory prevents the patentee from defaming, through a reproduction of the invention considered “not counterfeit for variants non-meaning techniques”, but it also safeguards the interest of competitors, avoiding that a subject is appropriately exclusive to an element of the public domain technology by claiming it in a patent. To determine whether two products are identical or similar, consider the descriptions in their patent applications, the indications in the International Classification foreseen in the Locarno Agreement<sup>141</sup> and, finally, the use declared by parties in question.<sup>142</sup> In the field of patent protection for technological innovations, Interpretations state that Art. 11 of Patent Law prohibits the use of a patented component within a different product, and the marketing of that component also includes the extremes of an illicit sale. The exploitation of the good obtained directly from the patented process, as well as the modification of the like produced, constitute as many violations of the privatization.<sup>143</sup> Article 62 of the Patent Law provides, first of all, prior art defense, based on which, in a judgment for breach of a patent, the alleged counterfeiter may rely on its own defense and on the basis of valid evidence that the technology or the design object of the privatization was in fact already included in the state of the art and therefore known to the public before the filing of the application, thereby exonerating

---

<sup>138</sup>*Ibidem*, art. 2.

<sup>139</sup>*Ibidem*, art. 3.

<sup>140</sup> The theme of equivalents has been widely dealt with by Western observers. The most widely used theories are the German and the American ones: according to German doctrine there is equivalence when the counterfeiter's solution is within the reach of the average technician, who examines the claims, whereas according to theory American is equivalent when the counterfeiter's solution presents an equivalence of the means, function or result set forth in the claim.

<sup>141</sup> Available in Italian at the website: [http://www.uibm.gov.it/attachments/classificazione\\_di\\_locarno\\_IX\\_edizione\\_italiano.pdf](http://www.uibm.gov.it/attachments/classificazione_di_locarno_IX_edizione_italiano.pdf).

<sup>142</sup>*Ibidem*, art. 9.

<sup>143</sup>*Ibidem*, art. 13.

itself from liability for counterfeiting.<sup>144</sup> Secondly, it provides the prior use defense, according to which subjects who have previously made the product subsequently patented by third parties can continue to use and perform preparatory operations to use them in the original scope. As mentioned at the beginning of this paragraph, Chinese order offers to patent holder has a dual possibility of protection, administrative and judicial. Chinese system also provides for criminal protection, established and strengthened by the Criminal Law of the People's Republic of China (中华人民共和国 刑法)<sup>145</sup>, issued on 14 March 1997. The fourth and final form of protection contemplated by the Chinese system is the customs. Under the American push, customs legislation has been subject to numerous debates and modifications until the final revision of the Customs Law of the People's Republic of China (中华人民共和国 海关 法)<sup>146</sup> in 2000.

### 3.2.4 Administrative and judicial protection

The Patent Management Authority is the State Bureau for intellectual property (国家 知识产权局)<sup>147</sup>. The main competences of SIPO, a body directly dependent on the State Affairs Council, include coordination at a national level among the various administrative authorities involved in the protection of Intellectual Property rights, in the assistance in drafting patent rules, and in managing relationships with foreign patent offices, as well as

---

<sup>144</sup> On the procedural level, the recognition of this principle results in some important consequences. The defendant must no longer promote a separate patent invalidation procedure before the Patent Review Commission, which would result in the suspension of the proceedings. He may in fact defend himself directly in the civil proceedings instituted for breach of the patent, thereby paralyzing the claim of the holder of the patent. However, if the alleged counterfeiter failed to prove the state of the technique could likewise, the Commission should appeal the patent with a decision against which it is always possible to resort to the judicial authority. It is quite clear that the introduction of this institution makes the defendant's defensive strategy less complicated, which will no longer have to wait for a civil court decision on absolution for failure to comply with the patent pending after the case has been suspended in the meantime was summarized following the administrative invalidation procedure.

<sup>145</sup> *Zhonghua renmin gongheguo xingfa*, which entered into force on 1 October 1997 and amended several times, the last of which was in 2009. The original Chinese text is available at [http://www.npc.gov.cn/wxzl/wxzl/200012/17/content\\_4680.htm](http://www.npc.gov.cn/wxzl/wxzl/200012/17/content_4680.htm). The English version is available at <http://www.lawinfochina.com/display.aspx?lib=law&id=354>.

<sup>146</sup> *Zonghua renmin gongheguo haiguan fa*, issued on January 22, 1987. Chinese text is available at the website://[www.customs.gov.cn/publish/portal0/tab2747/info3420.htm](http://www.customs.gov.cn/publish/portal0/tab2747/info3420.htm). The English version is available at: [http://www.wipo.int/wipolex/en/text.jsp?file\\_id=182636](http://www.wipo.int/wipolex/en/text.jsp?file_id=182636).

<sup>147</sup> Guojia zhishi chanquan ju, known with the english acronym SIPO (State Intellectual Property Office). On the development and the evolution of this institution see M. TIMOTEO, *La difesa di marchi e brevetti in Cina*, quoted, p. 46 ff.

in examining and issuing patents<sup>148</sup>. Patent Administration Department and Patent Attorney's Office (专利 抽查 委员会) are located at Beijing's headquarters<sup>149</sup>: the first examines the applications and releases the securities, while the latter intervenes to adjudicate appeals against the measures rejecting applications and deciding on the applications for revocation of patents, already issued. At the level of provinces, autonomous regions, municipalities under the central government's direct control and municipalities divided into districts, the Patent Offices (专利局)<sup>150</sup> operate and, subordinated to SIPO, deal with counterfeiting cases. The territorial jurisdiction is attributed to the administrative organs of the residence's place, or the place where the activity of counterfeiting took place<sup>151</sup>. These offices exercise instructing powers to ascertain the existence of the violation; are entitled to dispose of the probative sequestration of goods obtained with a patented process or involving patented components. If the commission of an offense is found, the offices order the termination of the injurious conduct and then confiscate the profits of the counterfeiters and may impose financial penalties up to 200,000 Yuan RMB. Or, if requested by the injured party, mediate between the parties to reach a settlement agreement with respect to compensation. In Chinese order, the administrative protection of industrial privatives is also attributed to the General Administration of Customs (海关 总署)<sup>152</sup>, which is headquartered in Beijing and represents the summit of entire Chinese pyramid system of customs, followed at intermediate level by the Guangdong Customs Administration Division (海关 总署 广东 分署)<sup>153</sup> and 41 general directorates of customs and finally, at a grassroots level, by more than 500 customs offices<sup>154</sup>. The source of regulation is the 1987 Customs Act. The involvement of the customs authorities takes place in relation to the control of goods' flow, entering and comes out of the country, and it consists of the ability to examine and detain suspicious shipments, either by office or by signaling the holder of intellectual

---

<sup>148</sup> On SIPO website, it's available a data base with all the patent applications filed in China.

<sup>149</sup> Zhuanli choucha weiyuanhui, known as Patent Reexamination Board, indicated with the acronym PRB.

<sup>150</sup> Zhuanli ju, PO.

<sup>151</sup> Art. 81, Implementation Rules.

<sup>152</sup> Haiguan zongshu, known with the English acronym GAC. Official website at the page: <http://www.customs.gov.cn/publish/portal0/>.

<sup>153</sup> Haiguan zongshu Guangdong fenshu.

<sup>154</sup> M.K DIMITROV, *Piracy and the State, the Politics of Intellectual Property rights in China*, quoted, p. 76 ff.

property right. If the investigations establish the unlawful origin of goods, the Customs Administration places it in the seizure and finally assesses the appropriate use to which goods are destined, in accordance with the Implementing Rules of the Customs Law.

As mentioned earlier, if it is not possible to resolve the out-of-court dispute, it may be referred to the skilled administrative body. The procedure before the local patent office is governed by Patent Law, the Implementing Rules and the Measures for the Implementation administrative patent law (专利行政管理的办法)<sup>155</sup>, issued by the SIPO. If administrative authority establishes the infringement commission of patent orders and the immediate cessation of the incapacitated activity, confiscates and destroys the machinery used in production, orders the unsuccessful to refrain from using the patented procedure, the proposal for sale, sale and import of goods patented, orders destruction of products and advertising material with false or misleading indications. Completing the framework for administrative remedies for the protection of property intellectual, on March 1, 2006 the Ministry of Commerce issued the Measures for the protection of intellectual property rights during trade fairs (展会知识产权保护办法)<sup>156</sup>.

Despite effective patent protection, it has been a priority for the classroom Chinese leader, to support national technology development and the industry patents have been relatively less exposed to foreign pressures for the achieving results in counterfeiting, statistical analysis revealed the constant preference for the judicial settlement of disputes in relation to patents with respect to administrative appeal. Even though civil protection has higher costs and takes longer time of the administrative action, it offers the patent holder the opportunity to obtain compensation commensurate with the extent of the damage sustained, the use of preventive orders and early recruitment of evidence. Therefore,

---

<sup>155</sup>*Zhuanli xingzheng guanli de banfa*, emanated by SIPO on 17 December 2001, available at the website: <http://baike.baidu.com/view/438899.htm>.

<sup>156</sup> *Zhanhui zhishichanquan baohu banfa*, available in Chinese at the website: [http://sbj.saic.gov.cn/flfg1/sbxzgz/200906/t20090603\\_60317.html](http://sbj.saic.gov.cn/flfg1/sbxzgz/200906/t20090603_60317.html). These measures have foreseen for exhibitions with a duration of more than three days, the creation of a special complaint office responsible for collecting various disputes concerning a suspected violation of exclusive rights. Upon receipt of the complaint, the office will, within 24 hours, investigate the matter, after informing the person concerned. If they fail to demonstrate their alienation to the disputed facts, then the office will order the immediate withdrawal of goods counterfeited from the fair. Alternatively, the office may also attempt to resolve the issue in a favorable manner, favoring the alleged counterfeiter's signature of a letter of intent with which it undertakes not to disclose or market suspicious products. Only in the event of a failure of the complaint process within the fair, the official of the local administrative office responsible for intellectual property present at the fair will send the practice to the competent department by territory within 15 days of the closing of the fair

despite the fact that the local Patent Offices have significant instigation powers, carry out investigations quickly and costly in relation to judicial proceedings, they may call upon the counterfeiter the cessation of unlawful conduct and if they consider that the case is of criminal relevance, they are required to transfer the file to public security organs, administrative protection still has serious limits.

### 3.2.5 Enforcement

With the term 司法机关 the Chinese judicial institutions are pointed in the lateral side, including Courts, Popular Procurations and Public Security Organizations.

The Popular Courts represent the judiciary of the RPC and are organized according to a pyramid scheme on four levels<sup>157</sup>: the Supreme Popular Court (最高人民法院) represents the leading jurisprudence body to which are subordinate to the High Courts (高级人民法院), the Intermediate Courts (中级 人民法院) and the Basic Courts (基层 人民法院).

The 31 High Courts are established at the provincial level, directly subordinated to the Central Government and Autonomous Regions. The 376 Intermediate Courts are established at Prefecture and Municipal level, and over 3,000 Basic Courts provide district administration with justice. Finally, given the country's territorial integrity, the establishment of more than 20,000 Popular Tribunals (人民法庭) also allowed the court system to come closer to rural areas. The Popular Courts do not constitute an independent judiciary in the western sense of the term but, in accordance with the principle of “unity of state powers”, are responsible before the legislative bodies. The Supreme People's Court oversees the ANP<sup>158</sup>, while the subordinate courts are responsible before the Popular Assemblies of the corresponding territorial level. In addition, hierarchically superior Courts exercise a supervisory power over Lower Court operations, which are subject to double dependence. In general, each Court is divided into sections for civil, criminal and economic disputes, but, depending on the need for the administration of justice, further specialized sections may be established. The right to set up further sections

---

<sup>157</sup> Introduced in art. 124 Cost. and specified in the Organic Law on Popular Courts (中华人民共和国 人民法院 组织法), *Zhonghua renmin gongheguo renmin fayuan zuzhi fa*, issued in 1979 and available at the web page: [http://www.npc.gov.cn/wxzl/gongbao/2006-12/05/content\\_5354938.htm](http://www.npc.gov.cn/wxzl/gongbao/2006-12/05/content_5354938.htm).

<sup>158</sup> *Quanguo renmin daibiao dahui*, in Chinese characters: 全国人民代表大会.

at the Intermediate Courts and the High Courts led to the establishment of the First Section for the Protection of Intellectual Property in Beijing High Court in 1993, followed in 1996 by the Third Civil Division (民事 审判 第三 庭) of the Supreme People's Court. The example of capital has been widespread, to the point of achieving over twenty years a system of specialized sections in intellectual property cases in major cities in the country, with technical expertise appropriate to the subject of the dispute. In 2006, the Third Civilian Section of the Supreme Court, in charge of examining the cases in question, was officially called the “Intellectual Property Division”. According to the most recent data, there are more than 420 specialized intellectual property sections in China, present in Courts of different levels, supported by a corpus of approximately 2,700 specialized judges. This process of specialization is still under development: this year, the first three specialized intellectual property courts were set up in Shanghai, Beijing and Guangzhou.<sup>159</sup> The hermeneutic function was regulated in 1997 with the various provisions on interpretation (最高人民法院 关于 司法 解释 工作 的 规定)<sup>160</sup> that attribute the exclusive title to the supreme court's interpretation powers and allow the lower courts to refer to the indications of the summit body, expressly quoted in its judgments. The discretion of the court competent to deal with patent infringement cases applies to the criteria for allocating competences per territory, matter and value. The territorial jurisdiction is the responsibility of the Court in whose district the seat is located counterfeiter or at the court of the place where the illegal conduct took place<sup>180</sup>. Once the competent court has been identified at the territorial level, it is necessary to identify a judge before which the first-degree judgment is to be instructed. In most cases,

---

<sup>159</sup> The structure of the Courts provides two grades of judgment. Civil and administrative disputes concerning copyright (excluding computer software), trademarks (excluding notorious trademarks), unfair competition (excluding industrial secrets), as well as civil disputes concerning “technical content” will be the responsibility of the Basic Courts, Franchises, internet domains. Decisions issued at first instance will be appealable to the specialized court and the decisions of the latter may be referred back to the High Court of the reference city, where specialized courts establish themselves. Laura CAVESTRI, *La Cina apre i super tribunali per la tutela dei marchi*, article on *Il Sole 24 Ore*, available at <http://www.ilsole24ore.com/art/impresa-e-territori/2014-12-30/the-china-open-super-courts-latutela-marks-193318.shtml?uuid=AB0wi7WC>; Benjamin BAI, *Specialized IP Courts in China: One Giant Step?*, 2014, available at <http://kluwerpatentblog.com/2014/12/10/specialized-ip-courts-in-china-one-giantstep/>.

<sup>160</sup> *Zuigao renmin fayuan guanyu sifa jieshi gongzuo de guiding*, emanated by Supreme Court on March 27, 2007 and available at the page: <http://en.pkulaw.cn/display.aspx?id=5970&lib=law>; Mark COHEN, *Specialized IP Courts and China's Quest to Become an Innovative Economy*, 2014, available at <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2014/12/03/specialized-ip-courts-and-chinas-quest-to-become-aninnovative-economy/>.

intermediate courts are competent at first instance. Finally, the determination of the competence per value is based on some criteria identified by the same Supreme Court, according to which the level superior court is able to know in the first instance the controversies of value over 200 million Yuan RMB and the causes of value ranging from 100 to 200 million Yuan RMB, if one of the parties does not have their residence in the court constituency or one of the parties is foreign or is a native of Taiwan, Hong Kong and Macao. For lower-value reasons, the intermediate courts are competent, except for the hypothesis in which the higher courts have delegated the competence in the first instance to the basic courts of the large municipalities. In this case, the Basic Courts will be competent to deal with causes of value below 5 million Yuan RMBs and those with a value between 5 and 10 million Yuan RMB if both parties have their residence in the district of the relevant court or intermediate. The decision of the court of first instance is admissible before the court immediately following, so the interim court order may be contested in the second instance before a superior court of the people. Only if the case involves a national interest, then the hypothesis of a third degree at the Supreme Court.

### 3.3 Slavish imitation in China

One of the categories of unfair competition lawsuit typed by art. 2598, n. 1, c.c. is that related to the “slavish imitation of competing products”, which is “confusing with the products and the activity of a competitor”. Apart from well-known subjective elements common to all cases of unfair competition, the Italian monolithic law (as well as the doctrine), which reflects the orientation also present in the People's Republic of China, expressing on the objective elements, considers that the imitated form must be of distinctive capacity, or with reference to the external appearance of a product and must result in a perception by the form consumer who transmits a message<sup>161</sup>. As it has been rightly pointed out by authoritative doctrine, since it is an unregistered form, the party who wants to rely on the slavish imitation of one's product must prove the so-called “qualified” notoriety, derived from its use on the market, and that “becomes synonymous with distinctive capacity, represented in a dynamic way ... on the purchase of the right to

---

<sup>161</sup> Ghidini, *La concorrenza sleale*, in *Giurisprudenza sistematica di diritto civile e commerciale*, Torino, 2001, 100.

sign”<sup>162</sup> (usually this test consists of all the documentation from which one can draw a form of use on the market: advertising investments, participation in exhibitions etc.). Also in the context of the forms imitation, it must be noted that the jurisprudential trend brought to the general clause of art. 2598 cf. – “it directly or indirectly applies to any other means which does not conform to the principles of professional fairness and can harm the other company” (art.2598, n.3) - the non-confusing imitation of the forms. The illicit nature of non-confusing imitation of forms is allowed, where such conduct arises in a wider or more qualified framework of competitive unfairness, which may be that determined by wide-ranging copying, but there are still other elements of the case that contradict the duty of professional fairness<sup>163</sup>. I try to analyze and compare with the Chinese trend, a ruling by the Court of Milan that “seems to express this protectionist trend, even in the presence of forms that would not have distinctive character and, therefore, even in the absence of confusion between the shapes”. In China, the principal rule of thumb for slavish imitation is art. 5.2<sup>164</sup> of the Law on Unfair Competition, which provides as follows: “*An operator may not adopt the following unfair means to carry on transactions in the market and cause damage to competitors: 1) [...] 2) using, without authorization, the name, packaging or decoration peculiar to well-known goods or using a peculiar name, packaging or decoration similar to that of well-known goods, goods are confused with the well-known goods of another person, causing buyers to mistake them for the well-known goods of the other person; [...]*”. In China as well as in Italy is therefore required by law that the imitated form is distinctive (and also known in China) and that this may mislead the consumer. Similarly to what happened in Italy even in China, there was a need to extend the protection to cases of no confusion due to the lack of reputation of the imitated form and in this sense reference was made to the general clause provided for in article 2 of the Law against the Chinese Unfair Competition which states “*An*

---

<sup>162</sup> Vanzetti - Di Cataldo, *Manuale di diritto industriale*, Milano, 2012, 60.

<sup>163</sup> Bogni, La tutela come marchio della forma del prodotto, in Galli - Gambino, *Codice Commentato della proprietà industriale e intellettuale*, Milano, 2011, 128-129; the author quotes several decisions in Milan and in particular Milan’s Court, Ord. 10 July 2006, Milan’s Court, Ord. 29 January 2009, Milan’s Court, Ord. 12 May 2010 and Milan’s Court, Ord. 23 February 2001. In the latter case, the Court considered a relevant element of misconception that the copying had fallen on products that the author of the offense previously acquired by the taxable person of the imitation’s conduct as in the case Italian commented on this article.

<sup>164</sup> The law against unfair competition was promulgated on 2 September 1993 and entered into force on 1 December 1993. Since then, it has never been amended. At present, the review process is under way, rumors reveal that the changes should extend the list of types of conduct as unfair competition and tighten sanctions.

operator shall, in transactions in the market, follow the principle of voluntariness, equality, fairness, honesty and credibility, and observe generally recognized business ethics.” Unfortunately, in this case art. 2 did not find support from Chinese case law as in other cases of unfair competition. In order to complete the reference framework in China, I cite the Interpretation of the Supreme People's Court on Some Matters on the Application of Law in the Civil Procedure of Unfair Competition published in 2007<sup>165</sup>. In the following section o will be examined the ruling of the People's Court of Shanghai made in 2014 in relation to the matter of slavish imitation.

### 3.4 The criteria of counterfeiting in China

The ever-increasing importance of design protection in the People's Republic of China (hereinafter, for simplicity, also P.R.C.) can be measured with the data relating to patent applications<sup>166</sup>: in 2012 in P.R.C. more than 600,000 patent applications have been filed for design (no country in the world has so many questions filed). Of these applications, only the 2.3% consists of applications from foreign entities (excluding Wholly Foreign Owned Enterprise and Joint Ventures which are considered Chinese and non-foreign entities). In any case, the percentage would not vary greatly<sup>167</sup>. From these statistics it is clear that, as opposed to foreign companies, Chinese companies are taking the most advantage of the legislation in force in P.R.C. in design matters.

---

<sup>165</sup> Here is an excerpt from Art. 2: *“In case the name, package and ornament of commodities is the notable characteristics for distinguishing the source of commodities, it shall be deemed as the typical name, package and ornament as stipulated in Subparagraph (2) of Article 5 of the Anti-Unfair Competition Law. In case of any of the following circumstances, the people’s court shall not ascertain them as the typical name, package and ornament of well-known commodities: (1) the commonly-used name, graphics or model of the commodities;(2) the name of the commodities that just directly specifies the quality, major raw materials, functions, utilities, weight, quantity or any other characteristic of the commodities; (3) the shape produced due to the nature of the commodities, the shape of the commodities that should be produced for the purpose of obtaining technical effects, as well as the shape that produces substantial value to the commodities; or (4) other name, package or ornament of the commodities that has no notable characteristic. In case the notable characteristic occurs upon use under any circumstance as stipulated in Subparagraph (1), (2) or (4) of the preceding paragraph, it can be regarded as a typical name, package and ornament. In case the typical name, package or ornament of a well-known commodity includes the name, graphics, or model common to the said commodity in question, or directly indicates the quality, major raw materials, functions, utilities, weight, quantity or any other characteristic of the said commodity, or involves the name of the place, if it is used by any other party for narrating commodities impartially, it shall be deemed that an unfair competition is not constituted”.*

<sup>166</sup> For design, the Chinese system uses the term “to patent” and does not “to record” as our current order does.

<sup>167</sup> Dresden, *China Design Patents. Because They Work*, in *China Law Blog*, April 13, 2014.

This is, however, the case to the damage of Western firms: even in China in the assessment of design patent applications, there is no substantive examination, stopping the State Intellectual Property Office (hereinafter, for simplicity, SIPO) a mere preliminary examination. And most often it happens that Chinese companies do not submit questions for designing their creation, but rather which corresponds to the products of foreign companies *tel quel*, or with slight modifications such as to differentiate them and perhaps make them even more appealing to the Chinese market<sup>168</sup>. Therefore, in the face of such massive copying phenomena, one of the chances that the Chinese legislator will have to consider in the forthcoming reforms is surely that of anticipating a substantive examination at the time of filing of patent applications for design. Under current legislation, the substantive examination of the existence of the design patentability requirements only occurs if a Patent Re-examination Board (hereinafter, for simplicity, including PRB), is filed for a patent nullity patent application not even an opposition procedure is envisaged<sup>169</sup>.

It should be noted, however, that with the Decision on Revision of the Patent Examination Guidelines, issued in October 2013, the SIPO, although not submitting a substantial examination, has in some way made the preliminary examination more severe<sup>170</sup>. Obviously, this amendment is only a first step in the direction of a more stringent examination: it can reasonably be considered that the validity judgment, which is carried out in the context of the action for nullity, remains the very substantial examination necessary to determine whether a patent for design is a patent that "holds" or not. As was the case in Italian law before the 2001 reform<sup>171</sup>, in P.R.C., unlike the Community (and now also the national) system, there is no discipline for design different to that of patents, as this is included in the Chinese patent law which also contains some ad hoc rules

---

<sup>168</sup> Dresden, *China Design Patents. Because They Work, Ibidem*.

<sup>169</sup> The decision of the PRB (administrative body) can be challenged before the Intermediate People Court, thus entering the next "judicial" phase. For further details on the operation of the c.d. system double binary - administrative and judicial - in China see Timothy, *The Defense of Trademarks and Patents in China*, Turin, 2010, 45 pp. For a historical overview prior to the modification of the 2000 patent law, see Haito Sun, *Post-Grant Invalidation in China and the United States, Europe and Japan: Comparative Study*, Vol. 15, Issue 1, 2004, 286 et seq.

<sup>170</sup> In particular, see Freder Shen, Jenny Li, *How to Navigate Preliminary Examinations*, www.kangxin.com, April 11, 2014: this article highlights how the novelty ex art. 23.1, as well as the filing of an identical patent application pursuant to art. 9, should be assessed with greater severity, encouraging examiners not only to limit the content of the patent application but also to deepen the search for anteriority in case the application "obviously" does not fall within the parameters mentioned in the above standards.

<sup>171</sup> Bogni V., *L'oggetto della registrazione come disegno o modello*, in Galli-Gambino, *Codice commentato della Proprietà Industriale e Intellettuale*, Torino, 2011, 469.

expressly recognizing the deep differences that distinguish design discipline from patents for invention and utility model.

In particular, the most relevant design standards are art. 2, paragraph 3, which defines the object of protection as a “new design of the shape, pattern or the combination thereof, or the combination of the color with shape and pattern, which are rich in an aesthetic appeal and are fit for industrial application”, and from the first and second paragraphs of art. 23, specifying, respectively, the concept of novelty: “A design for which the patent right is granted is not an existing design, and no application is filed by any unit or individual for any identical design with the patent administration department” and of originality: “ Designs for which the patent right is to be granted shall be those which are the subject of a patent right, distinctly different from the existing designs or the combinations of the features of existing designs”<sup>172</sup>. In particular, from the definition in art. 2 emerges those requirements<sup>173</sup> for design patentability that must be considered in the judgment of validity<sup>174</sup>: (1) novelty<sup>175</sup>, (2) aesthetic value<sup>176</sup> and (3) Industrial Applicability, in addition to (4) no conflict with other IP rights. Lastly, as is apparent from the reading of the art. 23, paragraph 2, these requirements must be added, which, in order to adapt a term used for inventions and utility models, some authors<sup>177</sup> have defined (5) the design originality which along with the novelty is the most important requirement in assessing

---

<sup>172</sup> [www.english.sipo.gov.cn](http://www.english.sipo.gov.cn).

<sup>173</sup> For a more in-depth look at the protection requirements and the issues of design protection in the People's Republic of China, see the Acts of the Parma Conference, 3/2014. See Guo He, *Patents, in Chinese Intellectual Property and Technology Laws*, in Rohan Kariyawasam, Northampton, 2011, p. 33; Qu Sanqiang, *Intellectual Property in China*, Alphen aan den Rijn, 2012, 273-274; Hot-Fratti, *IP Rights in China and Furniture Products*, in AIPPI Newsletter, 1/2014, 13 ff.

<sup>174</sup> In fact, following the recent reform implemented by the SIPO mentioned in the previous page, the assessment of the first of these requirements - the novelty ex art. 23, para. 1, l.b. - should already be carried out in the preliminary examination of the patent application in the event that the application appears evidently free of novelty.

<sup>175</sup> It should be remembered that following the 2009 reform, the novelty taken into account is the absolute one and not the relative one (as it happened until 2009).

<sup>176</sup> For further information, see Zhong Hua, *A Study on Design Patent-eligible Subject Matters in China*, in *China Patent & Trademarks*, 2/2012, 58; Zhang Xiaodu, *How to Construct "Aesthetic Appeal" in Definition of Design in Patent Law*, in *China Patent & Trademarks*, 1/2013, 42 sec. In particular, the latter author writes that the aesthetic appeal of design is a highly debated requirement in China and that during the work for the third revision of the patent law was also supposed to be eliminated: within the Commission the patent law was discussed along with this requirement and the possibility of replacing the term “aesthetically appealing” with the word “ornamental”. Some authors had suggested removing it, even in the light of the fact that the PRB's decisions have never concluded for the invalidity of a design because of the lack of aesthetic value.

<sup>177</sup> Zhong Hua, *A Study on Improvement of Design Determination Methods*, in *China Patents & Trademarks*, n. 3/2011, 34.

the validity of a design patent in P.R.C. and is evaluated in the perspective of c.d. “normal consumer”<sup>178</sup>.

### 3.5 Two cases in comparison: the decision of Milan Court

In the present case, Y carried out elevator models which imitated three models of company X with which, inter alia, Y had contractual relations, since X provided Y as one of the cloned elevating lifts. Following two precautionary proceedings initiated by X against its own dealer Y, for counterfeiting and unfair competition, X instituted, pursuant to art. 669, the two merit judgments resulting from the two precautionary steps that were then united. In particular, in its applications, which Y contests in its entirety, X sought to ascertain and declare the infringement of unregistered markings and the infringement of its copyright in the form of lift lifts, in addition to the existence of unfair competition. In the course of the trial, the court also appointed a CTU who concluded that there were “useful elements in the assessment of possible imitation” in the models complained of, while Y’s autonomous activity was considered to be conceivable only with regard to the design of a very limited number of detail features of the opposing bridges and not the design of the machines as a whole. In essence, the CTU concluded by pointing out that in the elevator sector, the margins of differentiation between one bridge and the other are numerous. By designing a bridge with technical and functional characteristics corresponding to those of a X bridge, a designer could therefore have more or less significant changes in the dimensions (lengths, widths, thicknesses, heights, pivot diameters, ...) and use different components or otherwise arranged / linked, variations that in this case were not made by Y.

By leaving out the most procedural issues and substantive assessments of a model's counterfeiting, the comment will focus on the Court's judgment on the various cases of unfair competition. The Court, relying on the above CTU, points out there is an imitation - for the first bridge that “it is possible to detect a slavish imitation”, for the second bridge it considers “that a *pedissequa* imitation is detectable” and for the third bridge “the College believes it is to be imitated” - compared to all three elevator lifts of company X.

---

<sup>178</sup> Noteworthy is that even the novelty - which in our order is normally evaluated through an objective comparison of individual antecedents - is evaluated from the point of view of the “normal consumer”. For the objectivity of judgment in the national / Community context, see Brambilla, *The Requirement of Novelty* in Galli-Gambino, *Commented Code of Industrial and Intellectual Property*, cit., 480-481.

The Court then proceeds to the assessment of the distinctive capacity of the three X-bridges, believing that those shapes “relate to technical elements (such as extractable portions of lanes or mobile pedestrians equipped with special shapes), largely the result of specific design choices, they incorporate a technical solution and they all contribute together to obtain an equally technical result. These elements are made in standardized forms, which therefore appear to be extraneous to a considerable aesthetic arbitrariness,” and thus “exclude subsistence in the forms of products [...] of the distinctive character of necessary to be protected under Article 1c”.

The Tribunal of Milan then states that “in the light of the considerations of the CTU, which are better analyzed, it can certainly be confirmed that the conduct complained of and proven by the documents in the acts integrates imitation of the actress’s distinctive features and signs, which can be sanctioned as an act unfair competition for slavish imitation of the products and engagement with the competitor’s business, resulting in features of the actuator's bridge decks that cannot be said to be necessary but which, on the contrary, appear arbitrary and discretionary, characterizing the products [...] and, susceptible to being varied, without in any way compromising the functionality of the product”. According to the Court, therefore, unfair competition for slavish imitation of which no. 1 of art. 2598, they accumulate both the case mentioned in n. 3 - in particular, the Court held that so-called parasitic illicit competition, including, inter alia, the judgment of the Civil Instruction (Cass. 3787/1996, Soc. Chipec Chemicals C. Soc. Fama Chemicals), which states that “in subject to unfair competition, fall within art. 2598, n. 3 c.c. - which is an open preview - c.d. parasitic competition, as well as any conduct, even if not typed by experience, involving the breach of the rule of commercial fairness; constitutes unfair competition within the meaning of the provision cited the imitation of pedissequa of the techniques and of the equipment used by an undertaking, also pursued by the use of an unfaithful employee of the latter, since such conduct, in addition to typical aspects of parasitic behavior, constitutes a breach of commercial fairness since it is directed at the illicit appropriation of the market result of the organization of the competing undertaking” - both the case referred to in paragraph 2, “in the form of the lookalike, constituting the appropriation of merits”.

The Board therefore concludes that “the conduct of Y, as evidenced by the documents in the file, incorporates the imitation of the products and the distinctive signs of X which

can be sanctioned as an act of unfair competition for slavish imitation of the products and for engaging in the activity of the competing company, resulting in features of the actuator's bridge lift which, as said, does not may be said to be necessary, but which, on the contrary, appear arbitrary and discretionary, characterizing X's products and, moreover, likely to be varied, without in any way compromising the functionality of the product and the individual parts”.

### 3.5.1 The case and the decision of Chinese Court

The actor is an Italian company that manufactures and markets various technical solutions for textile machines, hereinafter referred to as “Company A”. With particular reference to this case, Company A manufactures and sells a laser sensor for wire control flows inside a weaving machine. The company A has a head office in China that markets products made in Italy on the Chinese market, which represents an important part of the total business.

In 2012, at a trade show held in China, Company A noticed the presence on the market of a sensor marketed by a competing company (“Company B”) whose form was an imitation pedissequa of the shape of the sensor marketed by Company A. Following the photos of the sensors that were the subject of the dispute, by observing the development of the competitor's business and having responded negatively to an out-of-court approach, Company A was forced to sue Company B in April 2013 to base its own questions on the provisions cited above (Article 5.2 and Article 2 of the Law on unfair competition). The Court issued its judgment in November 2013 and made it clear that “The plaintiff must prove that the defendant has violated the particular form of his known product, and the actor must therefore have evidence to support the popularity of his product. Also try to make the decoration of the product special”.

In relation to the profile of notoriety, Company A has presented evidence as attestations of participation in trade fairs, advertising on Chinese newspapers and sales invoices to well-known customers. In relation to the profile of the “peculiarity” of the form, Company A has shown to the Court other product line control products and marketed by other companies and highlighted numerous specificity of the shape of the sensor. The Shanghai People's Court held that the evidence presented in support of the alleged reputation was insufficient commenting as follows: “With the exception of CITME and ITMA ASIA,

the actor has not participated in other trade shows [...], of the 40 listings advertisements submitted by the actor on Knitting Industry only 6 showed the shape of the sensor being disputed [...]. In relation to sales, we noticed that XXX customer did not make purchases in 2012 by the actor”. Also in relation to the “peculiarity” of the form, the Court expressed itself in a negative way: “the changes in detail show little creativity, and should not be protected as the exclusive privilege of the actor [...] If the actor could boast exclusive rights to such small changes in form details, competition in the U-shaped sensors sector would be irreparably restricted to innovation”. About the likelihood of confusion, the Court held that “the plaintiff must have the burden of proving that the products are confusing, that is, the plaintiff should first prove that the shape of his products is different from that of other products of the same type and that the reference audience can identify the difference [...] As the actor did not prove that his products have reached a level of popularity to be known, there can be no doubt that there is a risk of confusion”. The Court finally ruled on the applicability of Article 2 of the Anti-Unfair Competition Act, stating that: “The Article 2 applies only in the case where there is no other specific legal provision punishing the conduct of the defendant. In the present case, the conduct of the defendant must be assessed in the light of Art. 5.2 and therefore the legitimacy of conduct must be judged in relation to this rule and not in relation to art. 2”. Company A appealed against the first-instance ruling before the Shanghai Intermediate People’s Court. The Court of Second Instance held a hearing in which the case was discussed and issued judgment in November 2014 confirming the first-instance ruling. Below are two interesting passages of the appeal judgment: - “the relevant date in the judgment if the imitated product is known is that of the marketing of product allegedly imitator” – “in accordance with what the Supreme Court has established. with the Judicial Interpretation on unfair competition the forms which are imposed by the nature of the product that is due to produce certain technical effects or forms of substantial value (...)”. In other words, apart from popularity, one must ascertain whether the form has obvious features of diversity that make the product easily distinguishable from others beyond the functional aspects of the product itself. “Always in relation to the profile of the" peculiarity "of the form is it is intersecting to observe what is stated in another judgment issued by a Shanghai Pudong District

Court<sup>179</sup>” The distinctive character of the form consists in a double assessment, to ascertain whether there is distinctive character and whether it is distinctive to acquire by use. With reference to the appraisal of distinctiveness per se, it is noted that the defendant's machine head box is one of Although the color and structure of the machine head box have been carefully designed and carefully selected by the actor, the Court recognizes the decorative effect of some elements, looking at the exterior appearance of the machine head box, it turns out that the mold and the operating panel have functional character. Even though it has some decorative elements, this decorative effect is not emphasized. Consequently, the Court does not recognize the same as decorating the product and even if it is recognized as such, its distinctive character would be relatively weak. With reference to the distinctive character acquired through use, the machine head box is used by the actor as a component of the product and not as a product identifier. In most tests provided by the actor there is no mention of the machine head box in question. In the brochures where this is mentioned, it is described through photos and design as a component of the product and is therefore not used as a trademark of the origin of the products. Because of the evidence submitted, it cannot therefore be held that it has acquired distinctive character through use. It should also be noted that the actuator's machine head box is inherently devoid of any distinctive character and has not acquired that character through use. For the target audience, therefore, it is only a part of the product and not the part through which the product is identified. No protection provided under the Unfair Competition Act for "distinctive" decorations is granted.

### 3.5.2 Considerations on Italian response

The Milan Tribunal's decision is of particular importance in that it confirms the orientation of the abovementioned case-law, which also sanctions the cases of immeasurable imitation where there is no recognition of the distinctive character of the imitated product when the imitating conduct extends to more than one products, recalling, as was recalled, that conduct in the case referred to art. no. 3 of art. 2598. In the present case, the Court of Milan, although not recognizing the distinctiveness of the lift, has, however, condemned the defendant, inter alia, for unfair competition for slavish imitation,

---

<sup>179</sup> *SSM Scharer Schweiter Mettler AG vs. Zhejiang Weifeng Machinery Co. Ltd.*, 2013 Pu Min San Chu Zi no. 746, Shanghai Pudong New District People's Court.

which is contrary to the decision of the Milan Tribunal on one of the two supervisors proposed by X: it is recalled that in the complaint stage the Court had ruled on the inadmissibility of unfair competition, since “the absolute identity of forms, albeit not indifferent to the competitive offense, is still not demonstrates the likelihood of confusion for the public, the premise of which is [...] the individual character of the forms in question, which in the market practice of the sector is appropriate in the eyes of the final recipient to differentiate it from the competition products and to perceive it as indicator of entrepreneurial origin”<sup>180</sup>.

Compared with the decision of the complaint, the Milan Tribunal's judgment was lost in consistency, since once the distinctive character of the forms had been disregarded, it should consequently have also ruled out the case of slavish imitation of which no. 1 of art. 2598. It should also be noted that, in the reasoning of the Court, the distinction was excluded, since the forms which X attributes distinctive character “are related to technical elements [...] which incorporate a technical solution and contribute together to obtain an equally technical result” to be lift lifts would have been “made in a standardized form, which seems [...] extraneous to a considerable aesthetic arbitrariness”: it must be remembered in that regard that art. 9 must be taken into account in the appraisal of the distinctive capacity of the form. The case-law of the Community, in the case of Philips (ECJ 18 June 2002, No C-299/99), is in the sense of excluding all valid forms of valid registration, irrespective of whether they are or less necessary to achieve some technical result (and therefore be derogatory or indispensable). Moreover, national jurisprudence, in addition to being less rigid than the Community one, is oriented to the view that this unlawful conduct exists if “the repetition of formal features is not limited to the profiles made necessary by the same functional characteristics of the product, but is pushed to profiles completely inessential. It should also be noted that it is not at all said that standardized forms cannot be distinctive. Indeed, the approach the Milan Tribunal seems to almost confuse the requirement of distinctive character with that of the individual character (requirement as it is known is required for the design), noting for the purpose of the discipline mentioned in no. 1 of art. 2598 c.c. that form does not differ so much, but that it is perceived as the bearer of a message”<sup>181</sup>.

---

<sup>180</sup> Court of Milan, Ord. 23, February 2011.

<sup>181</sup> See Bogni, *I requisiti di tutela: la capacità distintiva delle forme*, Milan, 2010.

As is apparent from the decision of the Court of Milan in comment, it often happens that the protection provided for in no. 1 of art. 2598 c.c. alongside also that of cui to the no. 2, in relation to the case of the appropriation of merits and, in cases of systematic imitation, the parasitic case referred to in no. 3. This decision, regardless of whether or not it has been recognized as slavish imitation even in the absence of distinctive abilities of imitated forms, is nothing more than to go in the wake of this over protection law trend of protection which also seeks protection for imitation which is not confusing.

### 3.5.3 Considerations on Chinese response

The three judgments cited in this article reflect the consistent jurisprudence of the Chinese Courts on slavish imitation. It is clear to the reader that the case referred to in art. Section 5.2 of the Anti-China Competition Law sets a number of requirements that make it very limited in practice:

- the shape of the product or imitation packaging must be "peculiar";
- the shape of the product or imitation packaging must be known;
- absence of authorization by the holder of the imitated form;
- shape similarity;
- risk of confusion;

I also note that those which are defined as aesthetic details which are not deserving of protection in the unfair competition due to their functionality, are generally protected in China as a patent for design, as in Italy where their form is not solely determined from the technical function of the product to be protected as design. In accordance with Italian case-law, Chinese case law certainly has many similarities. There are, however, some notable differences, first of all at regulatory level, such as the fact that Chinese law explicitly requires a further requirement - which probably limits the application of the case to the corresponding Italian standard - or that the form of the product is notorious. Always with respect to Italian jurisprudence, the interpretation of Chinese distinctness seems more restrictive, especially if it recognizes as certain functional forms that might not be in Italian jurisprudence. For example, if we had applied the same judgment in the Court of Milan to the Chinese case, we would have found that the aesthetic details of the laser sensor were considered to be the result of a free choice of designer and not imposed by the function and therefore unprotected in accordance with the norms of the Law against

Unfair Competition. Another important difference is that in Italy the unfair competition case referred to in no. 3 of art. 2598 c.c. (the general clause which corresponds to Article 2 of the Law against the Chinese Competition) can be cumulated with other types of unfair competition, while in China the fact that conduct falls in one particular case precludes the applicability of the general clause which is only residual. In conclusion, it can be stated that, despite the fact that the two systems are not so far away, the Chinese case law continues to literally interpret the notion that the Chinese standard requires the imitated product to be unlawful conduct: it is likely that our jurisprudence would have provided a less restrictive interpretation of that term in order to bring to justice situations which would otherwise have arisen in view of the impossibility of applying the general clause of professional misconduct to cases involving slavish imitation.

## CONCLUSIONS

With this work, I have tried to highlight some aspects of counterfeiting, with a special focus on the phenomenon of slavish imitation, noting the effectiveness and limits of the respective protection system. Counterfeiting in China is a phenomenon that occurs in a particular legal context in which intellectual property has developed late in comparison with other Western countries. Undoubtedly, over the past 30 years, enormous progress has been made to improve the Chinese patent system and, in general, the intellectual property system in China. Starting from the three amendments to the Patent Law until the birth of first specialized Courts in the country's intellectual property, the Chinese government has shown great commitment to creating an effective regulatory and remedial framework, aligning increasingly with international standards.

The fact that in recent years the number of patent disputes examined in administrative and judicial way, has grown exponentially, confirms the growing confidence in the intellectual property remedial framework, but also underlines the persistence of the phenomenon of counterfeiting. China continues to be the main exporting country of counterfeit products, as well as the country with the highest intellectual property dispute (although the percentage that involves a foreign party is still quite low).

The analysis of Chinese legal background, sources and data has shown that in the case law of the People's Republic there is a significant divergence between law in book and law in action, between the legislative framework and the plan for the enforcement of industrial property rights. This divergence is due to economic and political-cultural issues that do not allow for a fully effective protection of intellectual property rights, leaving ample room for the spread of degenerative phenomena such as local protectionism, clientelism or corruption.

At a cultural level, intellectual property rights appear incompatible with the Confucian tradition, which considers knowledge as a common good freely available. The theme of intellectual property is also alien to communist ideology, especially in the Maoist inclination, according to which the exclusive appropriation of intellectual works is incompatible with a collectivist society.

At the economic level, the counterfeit industry has benefited enormously from the direct foreign capital flows in China following the policy of reform and opening up in 1978,

thanks to which the country quickly became the second recipient of foreign direct investment flows in 90s, to the point of claiming US primacy in 2002.

As noted, one of the major problems that hinder the effectiveness of contrast counterfeiting is local protectionism, which broadly favors its dissemination, involving primarily the administrative bodies responsible for the protection of industrial property rights, or local authorities often involved in illegal activities, for the usefulness of the economic growth of the territory. Such circumstances, inevitably, undermine the efforts of the central government, and in particular the detrimental effect of the administrative and criminal protection. Moreover, court rulings are often unjustifiably favored by Chinese companies or, if they pronounce a favor of a foreign counterpart, sanctions are small, or in some cases even ignored, demonstrating a further aspect of the divergence between law in the books and law in action: the sentence is there, but it is not respected. This is mainly due to the limited autonomy of the legal system, reflecting a close relationship between the Courts and the Chinese Communist Party: the judges do not enjoy either independence or autonomy, since courts are subordinated, vertically and horizontally, to power politics. In an effort to reduce the gap between statutory limitation and its practical implementation, the government has launched a series of public awareness campaigns and information campaigns on the negative impact of counterfeiting of intellectual property rights, on the need to ensure more effective mechanisms for protecting them and to ensure closer cooperation between the various authorities involved. These initiatives, both at the central and local level, have facilitated the creation of more and more specialized bodies in this sector, thus guaranteeing a higher level of industrial privates' protection in general, and in particular of patents. To foster the development of legal framework and social awareness related to the intellectual property rights in China, has taken particular note of the activity of cooperation and technical assistance of the European Union: the European Commission has, in fact, launched the EU-China IPR Program, opening a direct dialogue with China. Despite the government's commitment to fighting corruption, based on data emerging from the investigations conducted by the EU Chamber of Commerce in China, more than 70% of European companies active in China evaluate inadequate or seriously the protection of industrial property rights by the Chinese Government is inadequate.

At a strategic level, many foreign companies active in China have decided to set up internal anti-counterfeiting departments, assisted by investigative agencies and law firms, who care for institutional relationships with the local patent offices. Recourse to investigative agencies is due to the need to bridge the gaps of the activities of public security bodies, which do not have the resources needed to counter industrial property violations. Collaboration with administrative bodies allows representatives of the company to participate in any inspections and suggest the seizure of counterfeit products, with the possibility of requesting the destruction of machinery used in production. Due to the modest amount of sanctions imposed, however, the perpetrators succeed often to regain the illicit production, defeating the effect of seizure. In other words, the time needed for progress in the fight against counterfeiting of patents are incompatible with the short-term horizon addressing them operations of an undertaking. As emerges from the analysis conducted, over a period of thirty years China has progressively harmonized its system with international standards. The current economic development and the progressive rise of high-tech industrial sectors continue to raise awareness of the role of industrial property rights to ensure high levels of growth in the country, which imitator intends to become an inventor.

## BIBLIOGRAPHY

AMMENDOLA M., *L'appropriazione di pregi*, Giuffrè, Milano, 1991.

ANLING F., *La tutela del Design nel diritto cinese in assenza di registrazione: diritto d'autore e concorrenza sleale*, in *Dir. Ind.*, 2014.

ASCARELLI T., *Teoria della concorrenza e dei beni immateriali*, Giuffrè, Milano, 1960.

AUTERI P., *Diritto Industriale – Proprietà intellettuale e concorrenza*, G. Giappichelli editore, Torino, 2001.

AUTERI P., *La concorrenza sleale*, in *Trattato d. priv.*, diretto da Rescigno, vol. XVIII, Utet, Torino, 1983.

BOGNI M., *I requisiti di tutela: la capacità distintiva delle forme*, in *Alpa-Mariconda, Codice civile*, Milano, 2013.

BOGNI M., *La tutela come marchio della forma del prodotto*, in *Galli - Gambino, Codice Commentato della proprietà industriale e intellettuale*, Milano, 2011.

BROWN R., *Advertising and the Public Interest: Legal Protection of Trade Symbols* (1948) 57 *Yale Law Journal* 1165, 1181-3.

CAMPOBASSO G.F., *Diritto Commerciale – Diritto dell'Impresa*, UTET, Torino.

CASUCCI G.F., *Invenzioni non brevettabili. Metodi chirurgici, terapeutici o di diagnosi*, in *Diritto Industriale* 1996.

CAVALIERI R., FRANZINA P., *Il Nuovo Diritto Internazionale Privato della Repubblica Popolare Cinese*, Giuffrè Editore, 2012.

CAVALIERI R. (a cura di) *Diritto dell'Asia orientale*, Venezia, Libreria Editrice Cafoscarina, 2008.

CAVALIERI R., *Lecture di diritto cinese*, Venezia, Libreria Editrice Cafoscarina, 2009.

CHEN S., XIE X., Research on Categorization of Judicial Cases on Well-known Trademarks (驰名商标司法案例类型化研究), *Zhongshan University Law Review* (中山大学法律评论), Vol. 8, No. 1, 191-256, 2010.

CHEN Y., *La protezione del Design dei prodotti di arredamento in Cina*, in *Dir. Ind.*, 2014, 3, 214 (commento alla normativa).

CHEN J., *Chinese Law: Context and Transformation*, Leiden, Martinus Nijhoff Publishers, 2008.

COTTINO G., *Diritto Commerciale*, Volume Primo, Tomo Primo, Terza edizione. Imprenditore, impresa ed azienda. Segni distintivi, brevetti e concorrenza, CEDAM, Padova, 1993.

CRESPI REGHIZZI G., CAVALIERI R., (a cura di), *Diritto commerciale e arbitrato in Cina tra continuità e riforma*, Milano, EGEA, 1991.

DE MIGUEL ASENSIO P., *The Private International Law of Intellectual Property and of Unfair Commercial Practices: Convergence or Divergence?*, in: S. Leible/A. Ohly (eds.), *Intellectual Property and Private International Law*, Tübingen 2009.

DI CATALDO, *Il Codice Civile commentato. I brevetti per invenzione e per modello, artt. 2584 – 2594*, Seconda Edizione, Giuffrè, Milano, 2000.

DONG L., *Terza riforma della legge sul brevetto cinese: novità principali*, in *Studi in memoria di Paola A. E. Frassi*, Milano, 2010.

FENG S., *How are Unregistered Trademarks Protected in China?*, International Review of Intellectual Property and Competition Law, Vol. 44, No. 7, 815-830, 2013.

FITTANTE A., *Brand, industrial design e made in Italy: la tutela giuridica: lezioni di diritto della proprietà industriale*, Giuffrè, Milano, 2015.

FITTANTE A., *La nuova tutela dell'industrial design*, Milano, Giuffrè, 2002.

FITTANTE A., *La tutela giuridica dell'industrial design: il recepimento della Direttiva 98/71/CE*, in *Il Diritto Industriale*, n. 1, 2001, n. 5.

FLORIDIA G., *Diritto industriale – Proprietà intellettuale e concorrenza*, G. Giappichelli editore, Torino, 2001.

FORMICHELLA L. - CAVALIERI R. - TIMOTEO M. - TOTI E., *Leggi tradotte della Repubblica popolare cinese III: Legge sui marchi, sui brevetti, sul diritto d'autore, sul commercio con l'estero*, in *Diritto cinese e sistema giuridico romanistico*, in S. SCHIPANI - G. TERRACINA (diretto da), Torino, 2006.

FRAUKE H.B., *International Protection Against Unfair Competition – Art. 10bis Paris Convention, TRIPS and WIPO Model Provisions*, IIC 1999.

FRAUKE H.B., *International Protection Against Unfair Competition*, in: F. Henning-Bodewig (ed.), *International Handbook on Unfair Competition*, Munich 2013.

GALLI C., *La contraffazione dei segni distintivi registrati e non registrati in Cina: la lunga marcia dalla tutela contro la confondibilità a quella contro il parassitismo*, in *Dir. Industriale*, 2014, 3, 19 (commento alla normativa).

GELLER P.E., *An International Patent Utopia?* In *Journal of the Patent and Trademark Office Society*, Vol. 85, 2003.

GHIDINI G., *Codice generale del diritto industriale: proprietà industriale e concorrenza*, Giuffrè, Milano, 2007.

GHIDINI G., *Della concorrenza sleale* (articles 2598-2601), in *Il codice civile, Commentario*, (by) Schlessinger, Giuffrè, 1991.

GHIDINI G., *La concorrenza sleale*, in *Giurisprudenza sistematica di diritto civile e commerciale*, Torino, 2001.

GHOSH S., LUO J., *Protection and Enforcement of Well-Known Mark Rights in China: History, Theory and Future*, *Northwestern Journal of Technology and Intellectual Property*, Vol. 7, No. 2, 119-161, 2009.

GLYNN L., *Trademark Monopolies* (1999) 48 *Emory Law Journal* 367.

GUIST J.A., *The Quest for World Patent Law Harmonization*, in: Hasson A., *Domestic Implementation of International Obligations*, *Boston College International & Comparative Law Review*, Vol. 25, 2002.

HALBERT M., *The Meaning and Sources of Marketing Theory* (2nd Ed McGraw-Hill Book Company, 1965), 53.

LEMLEY M.A., MCKENNA M.P., *Owning Markets* (2010) 109 *Michigan Law Review* 137, 176.

LIBERTINI M., *Azioni e sanzioni nella disciplina della concorrenza sleale*, in *Trattato Galgano*, IV.

LUO L., *Introduction and Implementation of Punitive Damages in Intellectual Property Law* (论惩罚性赔偿在知识产权法中的引进及实施), *Law Science (法学)*, No. 4, 2014.

MINERVINI G., *Concorrenza e consorzi*, in Trattato d. civ., diretto da Grosso, Santoro, Passatelli, Vallardi, Milano, 1965.

PANUCCIM., *La nuova disciplina italiana dell'industrial design*, in *Il Diritto Industriale*, n. 4, 2001.

RECKIT & COLMAN Products Ltd v Borden Inc (No 3) [1990] RPC 341, 499; also see the five elements identified by Lord Diplock in *Erven Warnink BV vJ Townend & Sons (Hull) Ltd (No 1)* [1979] AC 731, 742.

ROCCO G., *Come depositare brevetti e marchi. Procedure, modelli, registrazioni, convenzioni internazionali, posizione dell'OMC*, Giuffrè, Milano, 2011.

ROSENBERG P.D., *Patent Law Fundamentals*, Clark Boardman Company Ltd. New York, 1975.

SABATELLI A., *Impediments to Global Patent Law Harmonization* (Northern Kentucky Law Review, Vol. 22, 1994-1995).

SARTI D., *Marchi di forma ed imitazione servile di fronte alla disciplina europea del design. Segni e forme distintive- La nuova disciplina*, Atti del convegno 16-17 giugno 2000, Milano 2002.

SCHUTTE T., *The Semantics of Branding* (1969) 32 *Journal of Marketing* 5, 6.

SINGER R. & SINGER M., *Il brevetto Europeo*. Traduzione e riferimenti alla legislazione italiana di Benussi F. Prefazione di Sena G., UTET, 1993.

SINGLETON S., *European Intellectual Property Law*, *Financial Times* – Financial publishing 1996.

SPIAZZI G., *Storno di dipendenti e perduranti ambiguità definitorie*, in Riv. Dir. Ind., 1998, II.

TIMOTEO M., *La difesa dei marchi e brevetti in Cina. Percorsi normativi in un sistema in transizione*, Torino, 2010.

TRITTON G., *Intellectual Property in Europe*, Sweet & Maxwell, Londra, 1996.

VANZETTI A., DI CATALDO V., *Manuale di diritto industriale*, terza edizione, Giuffrè, Milano, 2012.

WIPO, *Introduction to Intellectual Property Theory and Practice*, Kluwer Law International, London, 1997.

YANBING L., LIZHOU W., WEIJUN Z., *The Third Revision of Chinese Trademark Law – Analysis and Comment*, International Review of Intellectual Property and Competition Law, Vol. 45, No. 5, 556-586, 2014.

YU P K., *Currents and Crosscurrents in the International Intellectual Property Regime*, (2004) 38 Loyola L.A. L. Rev. 323, 328.

ZHAO X., *Interpretation of the New Trademark Law* (新商标法解释), Renmin Law Faculty Press (人民法院出版社), 2002.

## SITOGRAPHY

<http://www.cbp.gov>.

<http://www.chinaipr.gov.cn>

<http://www.chinalawandpractice.com>

<http://www.cnhangbo.com/>

<http://www.court.gov.cn/>

<http://www.doingbusiness.org/data>

<http://www.europeanchamber.com.cn>

<http://www.ipraction.cn/>

<http://www.leggicinesi.it/>

<http://www.pkulaw.cn/>

<http://www.uibm.gov.it/>

<http://www.xh-notary.com/>

<http://www.wipo.int/>

## ACKNOWLEDGEMENTS

At the end of this academic course, my gratitude goes to my supervisor, the Professor Renzo Cavalieri, for his support in drawing up my dissertation, his precious advices and his availability.

A special thank goes to Gerardo, a future talented lawyer, but above all a friend, who has directed me to this work with his great passion.

I heartily thank my family, especially my parents, Mara and Stefano, who believed in me every day, without whose support I could not have achieved this goal.

Thanks to my friends, to the company of Monticelli, my second family, who, every weekend, returning from Venice, welcomed me at home, I want to thank them for every carefree night, for every laugh until morning, but, furthermore, for every help in a moment of need.

I thank my women, my best friends of a whole life, in a split order: Francesca, Martina, Marta, Silvia, Alice, Sara, Silvietta, Roberta, Greta, Giorgia, Stefania, with them I grew up at different moments, always sharing everything, my feeling for them is limitless.

I would like to thank Maddalena, la donna, my sparkling roommate and best friend, because she made the past eight years of studies a beautiful adventure. With her I shared this long university path and we have always been present for each other.

Last but not least, I would like to thank Francesco, my boyfriend, who shared all this with me and who, for the past four years, never made me feel alone. I don't have enough words to explain how much he's important for me, but without him, I do not know how I could have done it.

Thanks to all.