

Turin, 21 November 2005
Our ref.: W0051897/QUE-PF/cfa

Before I start this short presentation, please allow me to thank the organisers of this symposium and in particular Mrs Agrò of the Italian Patent and Trademark Office, who kindly invited me to participate to this important conference.

The title of my presentation, which you can see behind me, concerns, from a general point of view, the *importance* of the Intellectual Property system for the textile and clothing sector, and the tools which are available to protect the business activity.

Acquisition of rights

First of all, in order to demonstrate the importance of the textile and clothing sector in the global economical system, I would like to refer to the figures for trademarks filed in Italy, in the European Community and as international trademarks in accordance to the Madrid Agreement and Protocol.

It is important to know, and it gives the exact picture of the situation, the fact that over 25% of all Italian, European Community and international trademarks are protected for classes 23 (yarns), 24 (fabrics), and 25 (clothing and footwear). A small percentage of these trademarks are protected for yarns only, and a slightly higher number for fabrics, but the majority of registrations relates to garments and clothing, either alone or combined with the fabrics category. I think this example demonstrates both the importance of the sector within the world economy and the fact that companies of this specific sector are more and more aware of the importance of protecting their trademarks.

I would now like to take a brief look at the types of protection available specifically for the textile and clothing industry, and particularly at the protection that can be obtained by filing trademarks and/or models.

A trademark is usually intended as a word or a logo (a word written in a particular graphic style), more seldom as a simple figurative sign or design with no verbal elements. This kind of sign can be protected, not only in Italy – namely **according to article 7 of the new Industrial Property Code** – but also at European Community level, as specified **in article 4 of Council Regulation (EC) no. 40/94 of 20 December 1993**. The text of this article 4 is now displayed behind me. A similar rule has been adopted in most foreign countries that are part of the World Intellectual Property Organization, and therefore also in countries such as China, Korea, in the countries of South East Asia in general, as well as in North African countries.

The laws in the various countries thus provide the tools necessary to obtain protection specifically for the textile and clothing industry, not only for word trademarks but also for device and three-dimensional trademarks.

As an example, the slides behind me show different European Community trademarks granted/registered which show what can be protected as a trademark. The links and relationships that have been created between the Italian system, the European system and the international trademark registration system, thanks to **Madrid Agreement and Protocol**, which now includes 78 countries, is shown behind me with the geographical split of the different systems.

There are therefore many options and combinations available today to companies seeking protection for their trademarks in an effective and economic manner. They range from registration in Italy only, in order to provide protection at national level, to European registration, with an extension to all or part of the countries part to the Madrid Agreement and Protocol and matching with the specific needs of each company.

There are different protections available in the field of trademarks but they are all based on **two** important premises, which are that ***the trademark*** to be protected or in any case adopted shall be new, i.e. ***not already filed and/or registered by third parties***, and that ***it shall be sufficiently distinctive***. Trademark availability searches are becoming increasingly easy to access and cheaper to use, and allow therefore to evaluate any obstacle that may subsequently arise, and the company can modify its strategy before starting investments in this new trademark, avoiding therefore even relevant damages which could be suffered at a later stage.

It is worth remembering that apart from trademarks there are other measures available. The one closest to a trademark is the ***model or design***, which is particularly important in the textile and clothing sector.

The images behind me show a few examples of European Community designs that have been chosen provided that they fulfil the requirement of novelty. On the contrary, trademarks can in fact obtain protection even after a long period of use, once the trademark, which may not have been distinctive at first, has acquired through use a sufficient level of distinctiveness and recognisability among the public as distinctive sign of a particular company.

Without entering into the details of how the differences and similarities between trademarks and models are assessed, which would in my opinion justify a separate presentation, in this general overview I would simply like to draw your attention to the importance, particularly when considering for a new trademark or model to be registered, of carrying out priority searches as previously mentioned.

We have thus come to the end of the first part of my presentation about the way to obtain protection for intellectual property rights.

Counterfeiting

Based on the choices we have made, we now have obtained protection and can use a specific sign.

In order to protect this exclusive right it is however necessary to prevent third parties from copying it, and particularly to exclude that the owner of this sign tolerate the co-existence of identical or similar signs.

Which instruments are therefore available to help in the protection of the trademark and therefore in maintaining the asset which has been acquired?

I would like to highlight **two aspects** in particular which are in my opinion important and which have a low cost and therefore a very limited financial impact on the company that owns the trademark, but which are of enormous benefit in maintaining a high level of protection and financial value for the trademark.

First, I would suggest a **system of surveillance** of all trademarks filed after the sign of interest obtains protection, allowing to take action and prevent registration of identical or confusingly similar trademarks.

An increasing number of countries have adopted an opposition procedure which is undoubtedly shorter and cheaper than litigation before Court. We hope that Italy as well will implement this opposition proceedings in the near future, so as to allow small and medium size companies to have access to faster and cheaper means than a judicial litigation that would have to be started in Italy by now in order to object against the filing and registration of identical or confusingly similar trademarks. This measure is in my opinion particularly important, given that it nips in the bud any attempt to use trademarks that are identical or confusingly similar.

This first level protection is not sufficient by itself.

The burning issue is the problem of **counterfeiting**, namely all those cases in which third parties who do not consider it worthwhile filing a new trademark, prefer to manufacture, distribute and sell products with a trademark registered and used by somebody else.

Counterfeiting is currently a huge phenomenon which we all read about in newspapers every day. Again I would like to provide a few figures, taken from statistics published by **Indicam**, which show among other data that there was a 1700% increase in counterfeiting between 1993 and 2003, and that today 20% of the whole counterfeits in the world refers to the textile, fashion and clothing sector. In 2003, the estimated turnover of counterfeit goods was around 3.5 billion euros, 60% of which referring to clothing and fashion products. In the sector we are dealing with, the counterfeiting industry is today widespread in Italy and unfortunately particularly in Campania, in the Mediterranean area (particularly Turkey and Morocco) but first of all in China, followed in the Asian area by Korea and Taiwan.

There are national and international tools for fighting counterfeiters. In particular, the customs authorities of Italy and of the other European countries have the power,

under EU Regulation no. 1383/2003, to suspend the release of suspected goods, arrange for them to be blocked and inform the trademark owner. In order to obtain information about goods suspected of being counterfeited from the Italian Customs Authorities (Agenzia delle Dogane), once registration of the trademark or model is obtained, and I would stress that **this can only be done for registered trademarks or models**, a request has to be submitted detailing not only the trademarks that one wants to protect but also the flow of original products and describing the original products and packaging in detail and providing, if available, information about any counterfeit goods entering, exiting or transiting through the country. This request is valid for one year and can be renewed and updated with a list of new trademarks and models.

The cost of filing the request with the Italian customs authority is quite small compared to the potential effects. The Italian customs authority alone now carries out almost 40% of all seizures on entry to the European Union. I should stress that the Italian Customs Authorities is in communication with the Customs Authorities of the other countries of the European Union.

As an example you will see behind me a **press release of 8 November this year** relating to a joint customs operation with other European authorities, which led, among other things, to the seizure of 20,000 T-shirts and 46,000 clothing accessories.

The next slide behind me is the **press release** confirming the co-operation that exists between the Italian Customs Authorities and the *Guardia di Finanza* (tax police) and referring again to a major seizure at Rome Fiumicino airport of 3.5 million items of clothing, accessories and labels, having a value of approximately 6 million euros, originating from Turkey and Egypt and destined for a company in central Italy and another one in Morocco. This second press release also makes it clear how the Customs Authorities of various countries are working together, and demonstrates the close co-operation that exists between the various authorities in Italy, particularly between the Customs Authorities (Agenzia delle Dogane) and the *Guardia di Finanza* (tax police).

The same custom procedure that exists in Italy, and is the implementation of the European regulation, is applicable to the 25 countries of the European Union. Other territories outside the European Union have also felt the need to create very similar regulations to prevent the circulation of counterfeit goods.

One of the major requirements is to stop counterfeit goods being exported from China.

In this respect, one of the latest rules, which came into force on 1 March 2004 in China, refer specifically to the administrative enforcement against the infringement of industrial property rights. This regulation empowers Customs to seize counterfeit products upon payment of a deposit by the owner of a trademark or other rights registered in China, for which a request has been submitted to the provincial Customs Offices for goods to be blocked, attaching copies of the protected

trademarks and all the additional documentation available just like it happens in the European Union.

It has been recently achieved to reduce the amount requested as a guarantee by the Customs Authorities: it was previously equal to 100% of the value of the goods seized, and is now upon discretion of the authority, although the owner of the rights is still required to pay for the storage and custody of the products held by Customs.

Unfortunately, despite the efforts made and the results already achieved at legislative level in China, the level of implementation by peripheral administrative authorities in China shall still be improved. The problem of counterfeiting in China and of the textile sector, particularly, was extensively discussed during the **Plenary Session of the European Parliament on 5 September 2005**, when it was pointed out that despite the memorandum of understanding reached between the European Commission and China on 10 June 2005, “... *the Commission should go on the offensive to ensure that international agreements on intellectual property (TRIPS) are respected as regards textile designs and models in third country markets and to impose severe measures in the event of a lack of compliance. In this respect the Delegates are of the opinion that it is necessary to go beyond the awareness-building and information activities launched within the China-Europe working group and the Commission must guarantee that China will impose harsher penalties for such offences*”.

Summing up, I think I can conclude by stating that the legislative intellectual property system in Italy, in Europe and internationally is now sufficiently developed, and that there are various means that can be adopted and used to protect one's rights, both for prevention and in order to fight counterfeiting. As to the implementation, there is undoubtedly a great level of attention being paid to this issue both within Italy and at European level, by the governments, administrations and industries. Third countries (among which we have mentioned China) now offer adequate and equivalent systems of protection but the fight against counterfeiting undoubtedly needs to be improved. At the moment I do believe however that small and medium sized companies can obtain adequate protection at least at national or European level by adopting the strategies I have described above.

- **The Relevance of the Intellectual Property for the Textile and Clothing Sectors: Domestic, Regional and International Aspects**
- L'Importanza del Sistema della Proprietà Intellettuale per il Settore Tessile e dell'Abbigliamento: gli Strumenti del Sistema Nazionale, Regionale ed Internazionale

*Patrizia
FRANCESCHINA
Caserta, Nov. 30, 2005*

International Registrations

Registrazioni Internazionali

New Filings & Renewals

Nuovi depositi & Rinnovi

1995 – 2005

TOTAL

258.240

Sector/Settore **FTA**



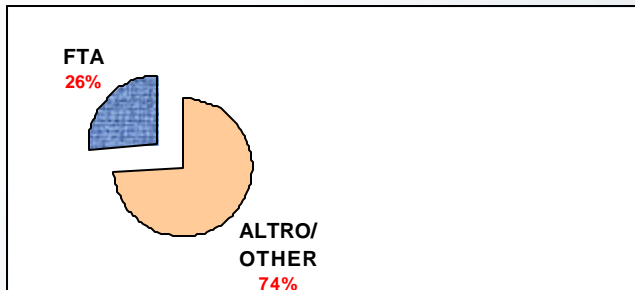
67.218

F = Yarns/Filati

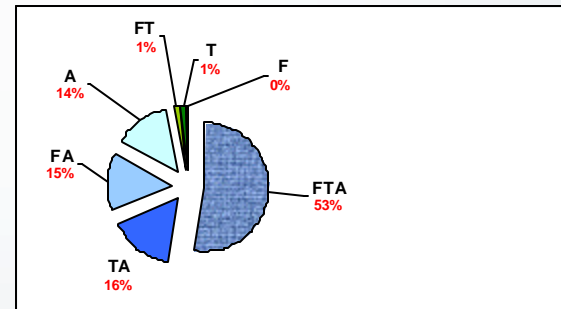
T = Textiles/Tessuti

A = Clothing/Abbigliamento

International Registrations/Renewals - RegISTRAZIONI/RINNOVI Internazionali
1995 -2005



International Registrations/Renewals - RegISTRAZIONI/RINNOVI Internazionali
1995 -2005 FTA ? DETTAGLIO - DETTAGLIO



Community Trademarks
Registrazioni Comunitarie

New Filings & Renewals
Nuovi depositi & Rinnovi

1995 – 2005

TOTAL 286.613

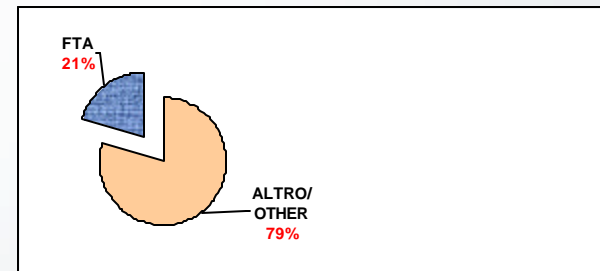
Sector/Settore **FTA** → **59.264**

F = Yarns/Filati

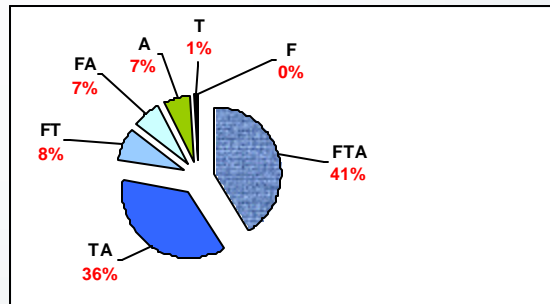
T = Textiles/Tessuti

A = Clothing/Abbigliamento

Community Registrations/Renewals - Registrazioni/Rinnovi in UE
1995 -2005



Community Registrations/Renewals - RegISTRAZIONI/RINNOVI in UE
1995 -2005 FTA ? DETAILS - DETTAGLIO

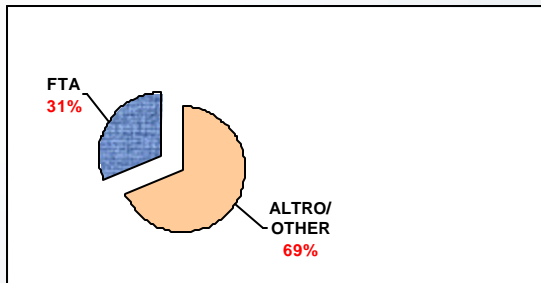


National Italian Trademarks
RegISTRAZIONI NAZIONALI IN ITALIA
New Filings & Renewals
Nuovi depositi & Rinnovi
1995 – 2005

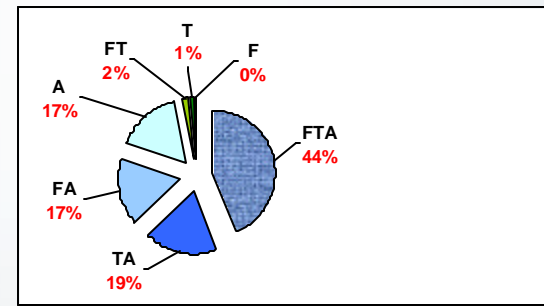
TOTAL 443.035
Sector/Settore FTA → **138.898**

F = Yarns/Filati
T = Textiles/Tessuti
A = Clothing/Abbigliamento

Italian Registrations/Renewals - RegISTRAZIONI/RINNOVI in Italia
1995 -2005



Italian Registrations/Renewals - RegISTRAZIONI/RINNOVI in Italia
1995 -2005 FTA ? DETAILS - DETTAGLIO



ITALIA/ITALY

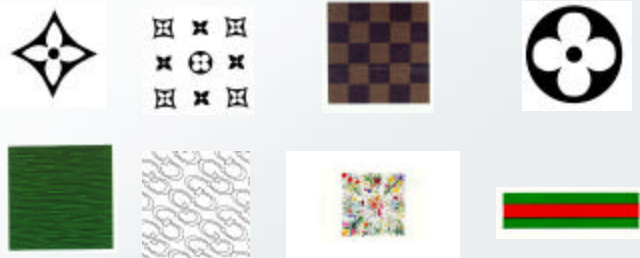
Codice della Proprietà Industriale Dlg. 10 feb. 2005
Industrial Property Code of Feb. 10, 2005

- ART. 7 “A trademark is eligible to registration if it consists of a sign capable of being represented graphically, in particular words, including personal names, designs, letters, numerals, sounds, the shape of goods or of their packaging, colours or their combinations, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings”
- ART. 7 “Possono costituire oggetto di registrazione come marchio d’impresa tutti i segni suscettibili di essere rappresentati graficamente, in particolare le parole, compresi i nome di persone, i disegni, le lettere, le cifre, i suoni, la forma del prodotto o della confezione di esso, le combinazioni o letonalità cromatiche, purché siano atti a distinguere i prodotti o i servizi di un’impresa da quelli di altre imprese”

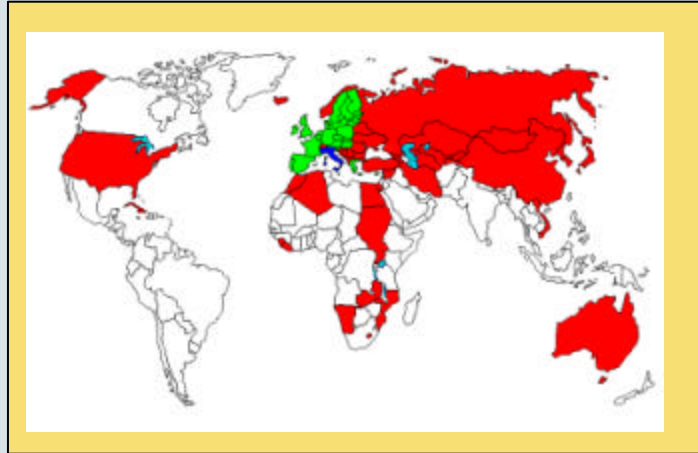
Community Trade Mark Regulation
Regolamento sul *Marchio Comunitario*

- **ART. 4** “A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings”
- **ART. 4** “ Possono costituire marchi comunitari tutti i segni che possono essere riprodotti graficamente, in particolare le parole, compresi i nome di persone, i disegni, le lettere, le cifre, la forma dei prodotti o del loro confezionamento, a condizione che tali segni siano adatti a distinguere i prodotti o i servizi di un’impresa da quelli di altre imprese”

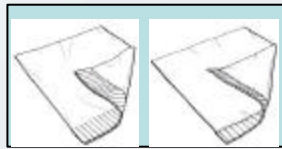
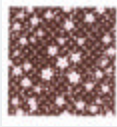
Community trademarks Marchi Comunitari



Italy, European Union, Madrid Agreement Protocol system
Italia, Unione Europea, Accordo Protocollo di Madrid



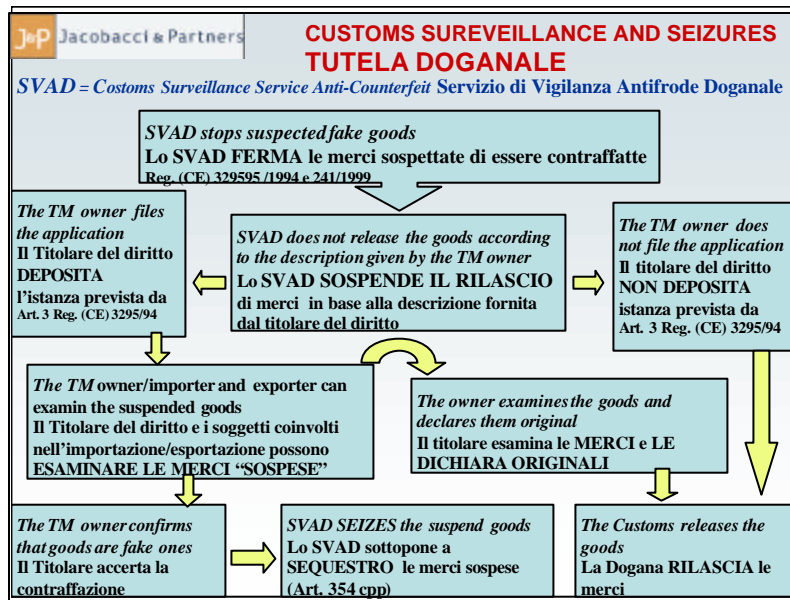
Community designs Modelli comunitari



COUNTERFEITINGS CONTRAFFAZIONE 1993 2003

Data from - Dati forniti da **INDICAM**
Italian Institute of anticounterfeiting
Istituto di Centromarca per la lotta alla contraffazione

- **1.700 % growth in the world** - incremento mondiale
- **10 % ca. of world sales are fake goods** – la quota di merci contraffatte
 - 5% watches, orologi
 - 6 % pharmaceuticals, industria farmaceutica
 - 10% perfumery, profumi
 - 20% clothings, tessile moda e abbigliamento**
 - 25% audio video
 - 35 % software
- **70 % counterfeits are from** – dei prodotti contraffatti provengono da:
FAR-EST Sud-Est Asiatico
China, South Korea, Taiwan
- **30 % counterfeits are from** – dei prodotti contraffatti provengono da:
MEDITERRANEAN COUNTRIES Paesi del Mediterraneo
Italy , Spain, Turkey, Morocco



AGENZIA DELLE DOGANE **OLAF**
 OFFICE EUROPEAN OFFICE FOR THE FIGHT AGAINST FRAUD

Roma, 8 novembre 2005

COMUNICATO STAMPA
 OPERAZIONE DOGANALE CONGIUNTA "FAKE"

LE DOGANE EUROPEE, COORDINATE DALL'OLAF, SCOPRONO UN INGENTE TRAFFICO DI SIGARETTE, BATTERIE, CAPI DI ABBIGLIAMENTO ED ALTRI PRODOTTI CONTRAFFATTI

Oltre 1.200.000 pacchetti di sigarette, 30.000 pile contraffatte e diverse **tonnellate di capi di abbigliamento**: questi sono soltanto alcuni dei prodotti contraffatti scoperti e sequestrati grazie al successo dell'operazione doganale congiunta denominata "FAKE", che ha coinvolto gli Stati membri dell'Unione Europea. In particolare, le **dogane italiane** impegnate nell'operazione con **5 porti** (Genova, La Spezia, Gioia Tauro, Taranto e Trieste) e **1 aeroporto** (Milano Malpensa) hanno effettuato complessivamente **23 sequestri** - risultando tra le prime a livello comunitario - ed hanno intercettato, tra gli altri, circa **46.000 accessori per abbigliamento** (occhiali, portafogli, cinture ecc.), **20.000 magliette** e **60.000 lampade da illuminazione**.

Ingente anche l'ammontare dei diritti doganali, dell'IVA e delle accise accertati a livello comunitario, pari, per le sole sigarette a **3.900.000,00 Euro**.

Nell'ambito delle attività di contrasto al fenomeno illecito della contraffazione, le amministrazioni doganali degli Stati membri, impegnando per 10 giorni **circa 250 funzionari doganali**, hanno realizzato nello scorso mese di maggio, con il supporto della Commissione Europea - Ufficio europeo per la lotta antifrode - OLAF - e Direzione Generale Fiscalità e Unione Doganale -, la **prima** operazione doganale congiunta focalizzata, in particolare, sul controllo dei prodotti provenienti dalla Cina, trasportati a mezzo aereo e via nave.



Roma, 13/02/2003

COMUNICATO STAMPA

**AEROPORTO DI FIUMICINO: SCOPERTO TRAFFICO
INTERNAZIONALE DI GRIFFES FALSE**

Maxi sequestro ad opera della Guardia di Finanza e della Dogana

Si tratta sicuramente di una delle più importanti operazioni effettuate negli ultimi anni nel settore della lotta alla falsificazione dei marchi, quella che il Servizio Antifrode della Circonscrizione Doganale ed il Comando Gruppo della Guardia di Finanza di Fiumicino hanno messo a segno nello scalo romano: sono stati, infatti, sequestrati oltre tre milioni e mezzo di capi d'abbigliamento, accessori ed etichette dei marchi **Levi's**, **Versace** e **Hugo Boss**, abilmente falsificati

Gli articoli facevano parte di due grosse spedizioni commerciali, di un valore pari a circa sei milioni di euro, erano partite dalla Turchia e dall'Egitto con destinazione finale un'azienda dell'Italia centrale e del Marocco.

Probabilmente, proprio in questo Paese africano, le etichette e gli accessori sarebbero stati utilizzati per confezionare milioni di capi, identici agli originali, pronti ad invadere il mercato.

Va segnalato l'originale metodo utilizzato per eludere i controlli doganali: sopra le etichette riportanti la griffe contraffatta, con eccezionale abilità sartoriale, ne sono state perfettamente ricucite altre recanti marchi anonimi.

L'attuale operazione anticontraffazione, che segue di pochi giorni il sequestro di un ingente quantitativo di droga, conferma l'efficacia della collaborazione in atto tra le due Amministrazioni, Guardia di Finanze ed Agenzia delle Dogane, presenti presso lo scalo aeroportuale, che operano attraverso un'accurata analisi e controlli congiunti delle cosiddette "spedizioni a rischio" in entrata nel territorio nazionale.

Gli importanti risultati di questa prima azione coordinata a livello comunitario sono stati illustrati oggi, nel corso di una conferenza stampa tenutasi a Roma, presso la sede dell'Agenzia delle Dogane, dal Direttore Generale dell'OLAF, **Franz Hermann Bruener**, dai rappresentanti della **D.G. TAXUD** e dal Direttore dell'Agenzia delle Dogane, **Mario Andrea Guaiana**, alla presenza del Sottosegretario, **On Manlio Contento**, degli Stati membri che hanno partecipato all'operazione e di una delegazione del Corpo della **Guardia di Finanza**, che in Italia ha collaborato con l'Agenzia delle Dogane nel corso dell'operazione stessa.

Hanno partecipato all'evento anche numerosi rappresentanti delle **Associazioni di Categoria** firmatarie di Protocolli d'Intesa con l'Agenzia delle Dogane in materia di lotta alla contraffazione.

Il successo di questo intervento è il risultato dell'intensa attività di collaborazione sviluppata tra le diverse autorità doganali di tutti gli Stati membri dell'Unione Europea per contrastare fenomeni illeciti, quali la contraffazione e la pirateria, che rappresentano anche uno dei più redditizi sistemi di riciclaggio di denaro e di finanziamento delle organizzazioni criminali internazionali e che incidono sullo sviluppo di interi settori economici, mettendo a rischio la stabilità degli operatori commerciali che operano nel rispetto delle regole, i livelli occupazionali dei singoli Paesi e la sicurezza dei cittadini.

Iniziative come "FAKE" sono state realizzate anche grazie al coordinamento operativo dell'OLAF che ospita, presso la propria struttura, il nuovo centro di *intelligente* per le operazioni doganali congiunte, ove tutti gli Stati membri possono lavorare a stretto contatto e cooperare nella realizzazione di controlli mirati al contrasto degli illeciti quali il contrabbando di sigarette ed il traffico di droga e di merci contraffatte

Counterfeited textile goods from China
Prodotti tessili contraffatti provenienti dalla Cina

- 1° marzo 2004 Nuove norme sulla violazione dei diritti di proprietà industriale - *New rules against infringement of IP rights*
- Requisiti per il blocco delle merci in dogana : versamento cauzione e registrazione del marchio
Requisites for seizures: deposit and TM registration
- Nuova normativa (1° gennaio 2006?): cauzione versata tramite garanzia bancaria alle dogane centrali – *New rules (January 1, 2006?) deposit through bank bond to the Central Customs Office*

