

Counterfeiting Protection and Enforcement: Overview (Italy)

by [Emanuela Truffo](#), Studio Legale Jacobacci E Associati

Law stated as of 01 Jul 2022 · Italy

A Practice Note discussing the civil and criminal claims available against counterfeiters and grey market goods sellers, the border protection mechanisms in Italy that help identify and prevent the importation of counterfeit and grey market goods, and general anti-counterfeiting strategies intellectual property right (IPR) owners can employ in Italy.

This Note forms part of a suite that covers global jurisdictions and addresses the measures that IPR owners may take in Italy to combat the importation and sale of counterfeit and grey market goods.

Counterfeiting in Italy

Civil Actions Against Counterfeiters

Elements of Possible Claims

Trade Mark Infringement

Design Infringement

Copyright Infringement

Patent, Utility Model, and Plant Variety Infringement

Other Possible Claims

Potential Defendants

Jurisdiction

Available Remedies

Preliminary Relief

Other Administrative Complaints

Criminal Actions Against Counterfeiters

Criminal Causes of Action

Requesting Criminal Prosecution

Grey Market Goods

Border Protection Measures

Anti-Counterfeiting Strategies

Counterfeiting has a destructive impact on international trade and is an enormous drain on the global economy. For intellectual property right (IPR) owners, the growing trade in counterfeit products and online piracy means reduced revenues through loss of

business, devaluation of IP assets, and the expense of enforcing IPRs. It is therefore important for IPR owners to take prompt legal action against known counterfeiters and to implement proactive anti-counterfeiting strategies to protect the value of their IPRs.

This Note maps out the key legal frameworks for combating the importation and sale of counterfeit and grey market goods in Italy. It identifies:

- Civil claims an IPR owner may assert against counterfeiters and grey market goods sellers.
- Relevant crimes and the steps an IPR owner may take to seek prosecution of known counterfeiters.
- Border protection measures available in Italy to identify and prevent importation of counterfeit and grey market goods.
- Anti-counterfeiting strategies that brand owners should adopt in Italy.

Counterfeiting in Italy

Counterfeiting is a major issue in Italy even though about 95% of non-genuine products are imported, with about 50% coming from China and 29% from Hong Kong. For decades, counterfeiting has been both a danger and benefit to the Italian economy.

On one hand, IPR owners have had to spend large amounts of money on anticounterfeiting measures against domestic and foreign counterfeiters. On the other hand, counterfeiting is a key part of the Italian economy. Counterfeit and pirated goods in Italy accounted for approximately EUR10.4 billion, which is about 3% of the market for genuine imports (Ministry of Economic Development (*Ministero dello Sviluppo Economico*): [Rapporto IPERICO](#) (March 2021)). Manufacturing districts once known for innovation and creativity have turned into districts of IPR infringement, counterfeiting, and piracy. Because of the development of e-commerce in Italy, counterfeit imports and exports have increased consistently in the last two decades, leading to the incorporation of medium-sized import and export businesses.

Overall, however, counterfeiting remains a major danger for the Italian economy. Entrepreneurs taking advantage of IPR counterfeiting generally are working almost completely illegally. They violate IP laws, industry-specific laws and regulations, and tax laws, and many have connections to organised crime. Given the large market for counterfeit and pirated goods, customs ([Excise, Customs and Monopolies Agency](#) (*Agenzia delle Dogane e dei Monopoli* or ADM)), national and local police departments, and the Ministry of Economic Development have joined forces to limit IPR infringement, counterfeiting, and piracy, with seizures from 2015 to 2019 of:

- 1,378,322 counterfeit items by customs.
- 11,726,310 counterfeit items by national and local police forces.

(Ministry of Economic Development: [Rapporto IPERICO](#) (March 2021).)

In Italy, classification as a counterfeit does not have independent significance. IPR owners assert regular infringement claims against counterfeiting.

Civil Actions Against Counterfeiters

Depending on the circumstances, counterfeit goods may violate any type of IPR. IPR owners should investigate counterfeiting conduct and determine what infringement and other claims are available. Only lawyers admitted to the Italian Bar Association can represent a plaintiff or defendant in court, so a foreign trade mark owner or exclusive licensee must hire an Italian lawyer to file an infringement suit.

Counterfeiting can infringe all enforceable IPRs in Italy, including:

- The following trade marks:
 - registered Italian trade marks;
 - unregistered (de facto) Italian trade marks;
 - trade marks that are the subject of an Italian application for registration;
 - **EU trademarks** (EUTMs); and
 - international certification marks and collective trade marks that include Italy among the countries of validity.

(See [Trade Mark Infringement](#).)

- Designs:
 - registered with the **World Intellectual Property Organization** (WIPO), *EU Intellectual Property Organization* (EUIPO), or *Italian Patent and Trademark Office* (*Ufficio Italiano Brevetti e Marchi* or UIBM); and
 - not registered with the EU but that qualify as de facto designs. De facto EU designs have only three years of validity, compared to 25 years for registered EU designs, but both can be the basis of an infringement action.

(See [Design Infringement](#).)

- Copyrights, including artwork meeting the requirements to be protected as an artistic masterpiece in Law No 633 of April 22, 1941 (Copyright Act) (see [Copyright Infringement](#)).
- Patents and utility models that are fully enforceable in Italy because they are:
 - granted by the UIBM; or
 - granted abroad but validated in Italy.

(See [Patent, Utility Model, and Plant Variety Infringement](#).)

- Plant breeders rights that are:

- granted by the EU *Community Plant Variety Office* (CPVO); or
- granted by the UIBM.

(See *Patent, Utility Model, and Plant Variety Infringement*.)

- EU and Italian geographic indications.
- Geographic indications granted outside the EU that are enforceable in Italy based on reciprocity as part of a free trade agreement.
- Other IPRs listed in Article 8 of the Industrial Property Code (*Codice della proprietà industriale*) (IP Code), including portraits, the personal names of natural persons, signs with enhanced notoriety, such as well-known personal names, distinctive signs used in specific fields (art, literature, sport, politics, or scientific research), and distinctive signs, symbols, or badges of non-profit organisations.

Depending on the circumstances, other claims that may be available against counterfeiters include claims for:

- Passing off and unfair competition.
- Civil fraud.
- Consumer protection violations.
- Food safety violations.

(See *Other Possible Claims*.)

Elements of Possible Claims

There are 22 court divisions in Italy, called enterprise courts, that hear intellectual property cases. Each division includes both first-instance and appeal courts. If one of the parties in a counterfeiting case is a foreign company or citizen, the case must be heard in one of the 12 enterprise court divisions with power to hear cases over foreign parties.

Forum shopping is possible but disfavoured in Italian courts (see *Jurisdiction*).

Trade Mark Infringement

Counterfeit products typically include infringing trade marks and therefore are subject to trade mark infringement claims. The requirements for a trade mark infringement claim depend on whether the trade mark is registered or unregistered.

Registered Trade Mark Infringement

To establish a claim that counterfeit goods infringe a registered trade mark, the plaintiff must show:

- The plaintiff owns the trade mark.
- The defendant made unauthorised use of the same or a similar mark in connection with the same or similar product or services.
- The defendant's use of the mark is likely to cause confusion.

(Article 20, IP Code.)

Unregistered Trade Mark Infringement

To establish a claim that counterfeit goods infringe a de facto (unregistered) trade mark, the plaintiff must show:

- The plaintiff owns the trade mark.
- The defendant made unauthorised use of the same or a similar mark in connection with the same or similar product or services.
- The defendant's use of the mark is likely to cause confusion.

(Article 20, IP Code.)

Standing for Trade Mark Infringement

Only the trade mark owner and an exclusive licensee have legal standing to assert an infringement claim in relation to a registered trade mark. The plaintiff must file a copy of the trade mark registration and, if they are an exclusive licensee, they must also file a copy of the licence granting them rights to use the registered trade mark. If the relevant registration database has not yet been updated to reflect registration, the plaintiff must file a copy of the submitted application to prove its capacity to file suit.

Only the owner of a de facto trade mark has standing to assert an infringement claim. In practice, while it is possible for an owner to authorise use of a de facto trade mark, exclusive licences of unregistered marks are rare and likely unenforceable. To establish rights, the plaintiff must show a timeframe of use that is long enough to prove not merely token use. Possible evidence to show de facto trade mark rights includes:

- Invoices, delivery notes, and other documents proving the effective presence of the trade mark in the market.
- Catalogues of products featuring the mark.
- Websites dedicated to or at least featuring the mark.
- Social media statistics.

- Commercials and other marketing activities regarding the mark.
- Market surveys measuring the notoriety and the presence of the mark at issue.

Design Infringement

When a counterfeit product incorporates a protectable product design, the IPR owner may have a valid claim for design infringement. The requirements for a suit based on infringement of a design depend on whether the design is registered or unregistered.

Registered Design Infringement

To establish a claim for infringement of a registered design, the plaintiff must show:

- The plaintiff owns the design.
- The defendant made unauthorised use of the same or similar design characterised by the same or identical overall outlook conveyed to the market.
- The defendant's use of the design is likely to cause confusion.

(Article 38, IP Code, and Articles 19 to 22, [Council Regulation \(EC\) No 6/2002 of 12 December 2001 on Community Designs.](#))

Unregistered Design Infringement

To establish a claim for infringement of a de facto (unregistered) design, the plaintiff must show:

- The date of first introduction on the EU market authorised by the plaintiff.
- The plaintiff owns the design.
- The defendant made unauthorised use of the same or similar design characterised by the same or identical overall outlook conveyed to the market.
- The defendant's use of the design is likely to cause confusion.

(Article 38, IP Code, Article 2598 of the Civil Code (*Codice Civile*), and Articles 19 to 22, *EC Reg. No 6/2002.*)

Standing for Design Infringement

Only the design owner and an exclusive licensee can bring an infringement claim in relation to a registered design. The plaintiff must file a copy of the design registration and, if they are an exclusive licensee, they must also file a copy of the licence granting them rights to use the registered design. If the relevant registration database has not yet been updated to reflect registration, the plaintiff must file a copy of the submitted application to prove its capacity to file the infringement claim.

The owner and exclusive licensee of an unregistered design have standing to assert an infringement claim. The plaintiff can prove the existence of an unregistered design using various forms of evidence. Unregistered European community designs are valid and eligible for protection for three years from the date on which the design is first made publicly available within the EU. Possible evidence to show rights in an unregistered design includes:

- Invoices, delivery notes, and other documents proving the effective presence of the design in the market.
- Catalogues of products featuring the design.
- Websites dedicated to or at least featuring the design.
- Social media statistics.
- Commercials and other marketing activities regarding the design.
- Market surveys measuring the presence of the design at issue.

An exclusive licensee can establish its standing through a licence agreement. Because unregistered designs are specifically protected by EU law, an exclusive licence of an unregistered design is likely to be enforceable while an unregistered trade mark is not (see [Standing for Trade Mark Infringement](#)).

Copyright Infringement

If a counterfeit product incorporates a work that is protectable by copyright (for example, pirated software), the IPR owner may have a valid copyright infringement claim against the counterfeiter.

Copyright Protection in Italy

Although IP law is largely harmonised throughout the EU, copyright is an exception. Individual EU jurisdictions have their own copyright laws. In Italy, copyright is not a registered IPR. The [Italian Society of Authors and Publishers](#) (*Società Italiana degli Autori ed Editori* or SIAE) maintains a database of copyright materials, but registration is not required for valid copyright to subsist.

In Italy, copyright has two components: moral rights and economic rights. Moral rights belong exclusively to the author and, for the 70 years after the author's death, to their relatives up to the third degree. However, regarding economic rights, the author and their heirs may retain them or sell them to a third party.

Authors can choose to identify a legal entity, which is often a foundation or a non-profit organisation, to manage and protect their copyright.

Elements of Copyright Infringement

To establish a claim of copyright infringement, a plaintiff must show:

- That the work is protected under the Copyright Act.
- The defendant either:
 - used the work without authorisation; or
 - used the work in a manner that exceeded the scope of the authorisation to use the work.
- If the claim involves infringement of moral rights, that the defendant caused detriment to the author's image.

(Law no 633/1941 (Copyright Act).)

In addition to the Copyright Act, copyright infringement claims may also implicate the Civil Code, Penal Code, and EU regulations.

Standing for Copyright Infringement

If the plaintiff is the author of the infringed artwork, to show its standing, the author must prove the existence of the copyright by proving its creation of the artwork, including the date, place, facts, and circumstances that lead to the creation of the artwork, and the author's personal involvement (and that of any third parties) in the creation process.

If the plaintiff is an assignee of economic rights, it must show both:

- The assignor's creation of the work.
- A valid assignment.

The plaintiff can use all types of evidence, including witness testimony, to prove that the copyright exists and therefore that the plaintiff has standing to bring the claim. Because copyright is governed by Italian law, not EU or some other multinational law, proof that a copyright exists in a foreign jurisdiction is not proof of a valid copyright under Italian law. The plaintiff must prove that the artwork meets Articles 1 and 2 of the Copyright Act, which define the works entitled to copyright protection under Italian law.

Patent, Utility Model, and Plant Variety Infringement

When a counterfeit product incorporates a patented invention, a protected utility model, or a registered plant variety, the IPR owner may have a valid claim for patent, utility model, or plant variety infringement against the counterfeiter.

Elements of Patent, Utility Model, and Plant Variety Infringement

To establish a claim of patent, utility model, and plant variety infringement, a plaintiff must show:

- The plaintiff owns the allegedly infringed IPR (that is, the patent, utility model, or plant variety).
- The defendant used the infringed IPR without authorisation, either directly or indirectly.

(Articles 45-81, IP Code (patents); Articles 82-86, IP Code (utility models); and Articles 100-16 (plant varieties).)

Each party can appoint its own technical expert and the defendant in patent litigation should always retain one. However, under the Italian Code of Civil Procedure, technical assessments are not evidence but are considered tools for the judge to interpret the parties' evidence. The judge manages and controls technical assessments, including setting deadlines and scope. Technical assessments can address a range of topics, including claim construction, infringement, and patent validity, but in Italian practice damages are addressed using audits rather than technical assessments.

In patent cases, judges effectively always order technical assessments.

Standing for Patent Infringement

The patent owner and an exclusive licensee can bring a patent infringement claim. The plaintiff must file a copy of the patent registration or of the record of validation of an international or European patent in Italy. If the plaintiff is an exclusive licensee, it must also file a copy of the licence. If the relevant registration database has not yet been updated to reflect registration, the plaintiff must file a copy of the submitted application to prove its capacity to file suit.

Other Possible Claims

Civil Fraud (Including Passing Off and Unfair Competition)

An IPR owner may have a claim against a counterfeiter for civil fraud under Article 2598 of the Civil Code. This claim also includes passing off and unfair competition. Article 2598 is a broad provision that IPR owners can use to attempt to pursue any type of counterfeiting conduct. To establish a claim for civil fraud, the plaintiff must prove:

- The plaintiff and defendant are competitors.
- The defendant either:
 - infringed one or more IPRs owned by the plaintiff; or
 - violated principles of good faith in doing business.
- Damages caused or potentially caused.

Food Safety Violation

When counterfeits involve food products, a plaintiff should consider whether the counterfeiter's goods violate food safety regulations. Though there is no direct involvement of an IPR owner in a food safety enforcement action, the Public Prosecutor's office may conduct an investigation and pursue a criminal action against the counterfeiter.

Potential Defendants

Regardless which IPR is infringed by counterfeit goods, a plaintiff may name as a defendant in a civil IPR infringement action:

- The seller.
- The manufacturer.
- The importer to the EU, which may be different from the seller.
- Any intermediary between the manufacturing plant and the seller.
- Marketplaces, including online marketplaces.
- Warehouses that have a role in the supply chain between the manufacturing plant and seller. If a warehouse is paid to keep the goods without being aware of what the goods are, the warehouse is not liable.

In cases of design, trade mark, and copyright counterfeiting, packaging and label suppliers are also potential defendants.

A plaintiff can also bring a claim for contributory infringement. This claim does not depend on the nature of the IPR infringed.

Italian law technically distinguishes between direct and indirect (or contributory) liability, and a plaintiff must specify in pleadings whether the alleged infringement is direct or indirect. However, in practice, Italian courts do not distinguish between direct and indirect liability, and plaintiffs establish their infringement cases similarly whether the alleged liability is direct or indirect.

Similarly, a defendant's good or bad faith is not relevant to whether the defendant is liable for infringement. However, a defendant's good faith may reduce damages (see [Available Remedies](#)).

In each case, the fact and extent of any defendant's liability (direct or indirect) is assessed on a case-by-case basis, depending on the circumstances.

Jurisdiction

Civil actions involving counterfeit goods are subject to the general principles of jurisdiction in Italy. A court has jurisdiction if it is in the geographic location that is:

- **The legal domicile of the defendant.** The plaintiff can bring a claim in the legal domicile of the defendant, regardless of where the IPR infringement actually took place.

- **The legal domicile of the plaintiff, known as the damages-consequences criteria, in consumer rights cases.** Any plaintiff with a registered office or domicile can bring a claim based on consumer rights in the local court, which has exclusive jurisdiction. This principle is based on the reasoning that the plaintiff's headquarters is where the negative consequences of the infringement impacted the plaintiff, although there is no requirement that the plaintiff show that actual harm occurred in the jurisdiction.
- **Where the infringement took place (*lex loci delicti commissi*).** Any infringing conduct qualifies.

Italian courts can apply foreign laws if needed to decide a case.

Available Remedies

Monetary Remedies

Counterfeiters found liable for IPR infringement are subject to all the traditional remedies for IPR infringement, including:

- The plaintiff's lost profits.
- The plaintiff's damages.
- The plaintiff's lost opportunities determined based on equity if the plaintiff proves a cause-and-effect relationship between the infringement and the business opportunities lost.
- Accounting of the counterfeiter's profits.
- The plaintiff's reputation damages, determined based on equity.

Under Article 125 of the IP Code, courts must award the plaintiff the larger of:

- An accounting of profits, that is, the profit gained by the infringer.
- Lost profits and actual loss, that is, the losses suffered by the plaintiff.

In Italy, the court is responsible for identifying which of the two above amounts is larger in a specific case and therefore is the proper award of damages. The plaintiff is not required to select a category of damages and can pursue the largest compensation possible. The plaintiff should request an audit supervised by a court-appointed auditor, which courts typically grant. During the case, the cost of an auditor is split by the parties. After the court issues a decision, the losing party bears the cost of the auditor unless the judge decides otherwise because of the winning party's conduct during the case.

In practice, a plaintiff in an infringement case usually proves damages by following two paths. Plaintiffs prove both amounts simultaneously, in the alternative, and are not required to select one. The two paths are:

- Proving the profits that plaintiff lost because of the IPR infringement. An audit by a court-appointed auditor is necessary to determine a plaintiff's lost profits. A plaintiff cannot prove lost profits on its own.
- Submitting a motion to the court for disclosure of the infringer's accounting records, which allows the plaintiff to seek damages including an accounting of the infringer's profits, the plaintiff's lost profits, and other damages to the plaintiff and its brand image.

Punitive damages or exemplary damages are not available in Italy because they are inconsistent with the constitutional principle of direct proportionality between the illegal act and its consequences (Articles 2, 3, and 27, Constitution of the Italian Republic (*Costituzione della Repubblica Italiana*)).

Non-Monetary Remedies

In Italy, the following non-monetary remedies are available against counterfeiters for any IPR infringement claim:

- A court order directing publication of the court's final decision, including the scope and the form of the publication.
- A permanent injunction to prevent the manufacturing, sale, and the offer for sale of the counterfeit product.
- An order to the defendant to recall the counterfeit goods on the market so that they may be destroyed.
- An order of destruction of the counterfeit products. This order is granted with an order of delivery of counterfeit goods kept in the defendant's warehouses so that those goods are destroyed. Goods seized before or during the action are automatically included in the destruction order.
- An order to the defendant to take down social media posts and websites advertising the infringing goods, usually within 30 days from the decision.

The protocols to be followed by police officers or bailiffs in enforcing the civil remedies listed above and remedies in criminal cases (see [Criminal Actions Against Counterfeiters](#)) may differ depending on the nature of the IPR infringed.

Preliminary Relief

The available forms of interim relief in Italy are the same regardless of the nature of the IPR infringed and are governed by the same rules, that is, Articles 120 to 131 of the IP Code and Articles 669 bis to 700 of the Code of Civil Procedure.

Available interim relief includes:

- Temporary restraining orders.
- Search orders.
- Orders to disclose documents or information, which courts often grant along with search orders.

- Seizure orders.
- Publication orders as requested by the plaintiff, for example, in the press or on a website.
- Interim injunctions.
- Orders to freeze the plants, tools, or components needed to manufacture the counterfeit goods.

To obtain interim relief, a plaintiff must file a petition for interim relief. The plaintiff can file a petition:

- Before beginning a full action on the merits (in which case the interim relief is pending the action on the merits and expires if the plaintiff does not file a merits case, as discussed below).
- With the action on the merits.

For a court to grant interim relief, the plaintiff must prove:

- *Fumus boni iuris*, which means that the claim has sufficient legal basis. In practice, courts articulate various standards that satisfy *fumus boni iuris*, including that the petition submitted to the court meets the threshold for likelihood of success and that it is not reckless or unreasonable.
- *Periculum in mora*, which means that there is the urgent need for interim relief to avoid irreparable damages that would result if the plaintiff must await a final decision on the merits. The plaintiff must show:
 - a need to preserve the evidence of the counterfeiting so that it is not destroyed, potentially resulting in a finding for the defendant due to a lack of evidence; or
 - the ongoing counterfeiting activity could impact the plaintiff's business so much that it would frustrate the action on the merits.

Other than witnesses, a plaintiff can use all forms of evidence to prove *fumus boni iuris* and *periculum in mora*. A court may grant interim relief *ex parte* if the plaintiff proves that giving notice to the defendant may frustrate the successful enforcement of the interim relief.

No bond is required to get interim relief. However, if a plaintiff obtains interim relief by fraud, for example if the plaintiff submits to the court misleading or falsified evidence, the defendant may be entitled to recover damages for harm resulting from the interim relief.

All the forms of interim relief, except for interim injunctions and restriction orders, are temporary and lose their enforceability if the plaintiff does not start an action on the merits by the deadline set by the judge in the interim relief order.

Other Administrative Complaints

In some circumstances, most commonly in cases involving counterfeit pharmaceuticals, an IPR owner may be able to convince an administrative agency to intervene. Filing a complaint with an agency can help pressure the infringer and potentially force the infringer to settle. Administrative actions are not focused on IPR protection and enforcement. Instead, they enforce different legal rights and interests. Administrative actions therefore are not a replacement for IPR civil or criminal actions.

An IPR owner may be able to file a complaint with:

- The *Italian Competition Authority* (*Autorità Garante della Concorrenza e del Mercato* or AGCM) if the counterfeiter's communications violate the Consumer Code (*Codice del Consumo*) governing fair communication. If successful, the AGCM may order a counterfeiter to stop a communication campaign (for example, that its website be taken down). Any IPR owner can file a complaint with the AGCM, though most cases concern trade marks and patents in the pharmaceutical industry. The potential IPR infringement is not relevant to the AGCM's consideration. However, the alleged infringer can respond by filing a court action against the IPR owner based on the abuse of right doctrine, that is, under antitrust law for abusive enforcement of an IPR.
- An Italian Administrative Tribunal in cases involving counterfeit pharmaceuticals. The IPR owner can file a complaint seeking revocation of the infringer's licence to sell pharmaceuticals.
- The *European Food Safety Authority* in cases involving counterfeit food products. This EU agency functions similarly to the US Food and Drug Administration.

Criminal Actions Against Counterfeiters

Criminal Causes of Action

Article 473 of the Criminal Code prohibits manufacturing, possessing, selling, and offering for sale counterfeit products that violate any registered IPR or copyright.

Article 474 prohibits the import of counterfeit products that violate any registered IPR or copyright.

The penalties for violations of Articles 473 and 474 are a prison sentence of up to three years and a fine up to EUR35,000, though for copyright infringement the fine is between EUR2,582 and EUR15,493. Courts order preliminary confiscation of the proceeds of the offence during the investigation. The confiscation is made permanent if the defendant is convicted.

Regarding trade marks only, Article 517 of the Criminal Code also prohibits the sale of counterfeit products with misleading national or foreign names, trade marks, or distinctive signs, if the sale is not an offence under another provision of the Criminal Code. This article acts as a safeguard or catch-all clause ensuring the protection of all registered trade marks enforceable in Italy.

The penalties are a prison sentence of up to two years and a fine up to EUR20,000. Courts order confiscation of the proceeds of the offence during the investigation, which is made permanent if the defendant is convicted.

Copyright counterfeiting is also a criminal offence under the Copyright Act, the Regulations for the Protection of the Copyright Law on Electronic Communication Networks (commonly called the Antipiracy Rules), and the Criminal Code (*Codice Penale*).

Conspiracy is not a crime per se in Italy, but it is an aggravating circumstance courts consider when imposing penalties for ordinary offenses, including counterfeiting (see Articles 110 to 119, Criminal Code). Courts use complex formulas to calculate the proper sentence when the offence is more than an ordinary offence.

Public Prosecutor Offices may also charge counterfeiters with:

- Fencing (that is, receiving and reselling stolen property).
- Money laundering.
- Organised crime.
- Smuggling.

Requesting Criminal Prosecution

Italy's Criminal Procedure Code does not allow private prosecution. Criminal prosecution is managed by the police department that has jurisdiction where the offence took place, under the control and direction of the Public Prosecutor Office. The IPR owner can encourage the prosecution of counterfeiting and related offences by lodging complaints and documents to draw the Public Prosecutor Office's attention to the criminal offences and potential defendants.

If the IPR owner chooses to be an active party in a criminal trial, the evidence it needs to prove an IPR violation and damages is the same as in a civil case. While a damages claim in a criminal trial is technically legally identical to a damages claim in a civil case, the Criminal Procedure Code applies to criminal trials, which makes it difficult for the plaintiff to get a full amount of damages. Criminal courts are reluctant to order an audit. Instead, they typically order liquidated damages and give the injured party an opportunity to bring a damages claim in court.

Grey Market Goods

Selling grey market goods is not IP infringement in Italy because an IPR owner's rights are considered exhausted after an initial authorised sale. However, an IPR owner can bring a civil claim for unfair competition (passing off) against the seller of grey market goods under Article 2598 of the Civil Code (see [Civil Fraud \(Including Passing Off and Unfair Competition\)](#)).

Because grey market goods more likely violate unfair competition law than IPR infringement law, when applicable, an IPR owner may consider lodging a complaint with the responsible administrative authority asserting that the seller breached the sales rules for that type of product, for example electric products safety, food safety, labelling, and others. The IPR owner can always also bring its own civil unfair competition claim because any action taken by an administrative agency is a separate remedy.

Criminal enforcement against sellers of grey market goods is rare. Although the importation and sale of grey market goods is not prohibited by Articles 473 and 474 of the Criminal Code, some courts have found that importation and sale of grey market goods is punishable under Article 517 because grey market goods are a serious threat to the balance of the market.

An IPR owner can get customs protection against import of grey market goods (see [Border Protection Measures](#)), but the importer is highly likely to begin an administrative challenge to the seizure.

Border Protection Measures

In Italy, an IPR owner can seek assistance in preventing the importation or exportation of counterfeit and grey market goods by filing a customs Application for Action (AFA). An AFA can have a domestic or European territorial scope, though the latter is more common. In either case, the AFA must comply with EU customs regulations in the Union Customs Code (UCC).

The IPR owner must show proof of ownership to obtain an AFA. What the owner must show depends on the intellectual property and territory involved. For:

- **Trade marks:**
 - domestic AFAs may be based on Italian registered trade marks, EUTMs, and international trade marks designating the EU or Italy; and
 - EU AFAs may be based on EUTMs or international trade marks designating the EU.
- **Designs:**
 - domestic AFAs may be based on Italian registered designs, EU designs, and international designs designating Italy or the EU; and
 - EU AFAs may be based on EU designs or international designs designating the EU.
- **Patents, including new plant varieties:**
 - domestic AFAs may be based on Italian patents, European patents, or Patent Cooperation Treaty (PCT) patents validated in Italy; and
 - EU AFAs may be based on European patents or PCT patents validated in all EU member states.
- **Utility models**, only a domestic AFA is possible. It can be based on Italian utility models or on PCTs validated in Italy as utility models.
- **Copyright**, both domestic and EU AFAs are possible based on evidence proving the authorisation to make economic use of the copyright. The author and any other party owning the economic rights in the copyright can file an AFA. The AFA must be filed with the ADM. The IPR owner should appoint a local representative and complete a power of attorney (POA) that has been notarised and legalised by apostille. The POA and the AFA form, executed with an EU-compliant electronic signature, can be sent by certified email to the ADM.

The UCC requires the AFA to indicate the IPR owner's *Economic Operator Registration and Identification number* (EORI). The EORI is granted by the customs headquarters of an EU member state. The EORI is only used to identify each unique IPR owner. It is not a tax identifier and has no impact on tax or customs duties.

It is not required but is advisable to include on the AFA form information about:

- The genuine products, including catalogues, pictures, dedicated websites, a list of authorised distributors or licensees, anticounterfeiting systems, and label design and characteristics.
- Typical fake products, including known countries of origin, examples of the most frequent counterfeits seized by or known to the IPR owner, and any information that may help customs officers detect a fake.

The IPR owner should strongly consider providing training to customs officers. Before the COVID-19 pandemic, these trainings were held in person, but they have since been held remotely. Because AFAs are renewed annually and modified with updated IPR information, it is generally more effective for the IPR owner to hold periodic training sessions than attempt to include all information in writing. The working language of the session should be that of the relevant member state, for example, Italian in Italy.

Documents submitted with the AFA must be in Italian or English. POAs and any other documents proving the right to submit the AFA must be translated into Italian.

The ADM has the right to deny an AFA, though denials are uncommon. The ADM can also require additional information from the applicant. The ADM generally approves the AFA within 10 to 15 days of the submission, and it becomes effective. The AFA decision is valid for one year and the applicant should file for renewal 30 days before expiration.

When the ADM finds products that potentially infringe an IPR, it suspends the release of the goods or detains them and gives written notice to the IPR owner, including information about the country of origin, the country of destination (thus including potential grey market goods) and an estimate of the quantity of goods. The ADM sends pictures that the IPR owner can analyse, and live inspections are rarely necessary. The IPR owner then prepares an affidavit confirming that the goods are counterfeit or authorising their release. If the owner does not respond to the ADM, the ADM releases the goods.

Although the UCC authorises destruction of seized goods, Italian authorities do not destroy goods but confiscate them as the proceeds of a crime.

Anti-Counterfeiting Strategies

Best practices for anti-counterfeiting in Italy are:

- Identifying and prioritising the goods and brands susceptible to counterfeiting.
- Registering all available IPRs.
- Use of IPR ownership notices and symbols, such as ®, ™, and ©, when appropriate.
- Monitoring online commerce websites known for counterfeit trafficking.
- Using reporting mechanisms and tools provided by online commerce and mobile platforms for dealing with infringing activity.

- Monitoring the IPR owner's own supply and distribution chain, ensuring products are only available from authorised shops, and investigating any potential product leaks.
- Launching public education campaigns.
- Educating staff at all levels.
- Using overt features, such as shape, style, and size, to teach customers how to distinguish genuine goods from counterfeit goods and to make it difficult for counterfeits to be made.
- Using hidden features to enable the IPR owner and regulatory authorities to detect counterfeits. These may include labels printed with invisible ink, holograms, watermarking, RFID tags, and other features that are difficult to detect or copy without specialist knowledge or equipment.
- Retaining local counsel experienced in managing anti-counterfeiting campaigns.
- Imposing infringement monitoring and reporting requirements on licensees.
- Monitoring and auditing licensee activities to ensure compliance with licence terms.
- Recording IPRs with customs and any other border agencies that assist in enforcement efforts and actively engaging with these agencies and responding in a timely manner to all requests for information and documents.
- Monitoring government agencies responsible for seizures to ensure that counterfeit products are destroyed and not returned to the marketplace.
- Hiring private investigators experienced in anti-counterfeiting matters to assist with monitoring and enforcement.

The best protection against counterfeiting is a customised enforcement strategy.

An IPR owner should prioritise its IPRs in each portfolio and divide them into groups, for example:

- For non-registered IPRs, any enforcement strategy should consider that the law allows limited enforcement (for example, AFAs are not possible).
- For registered IPRs, analysis of the territorial scope of each IPR is important to coordinate the strategy in each country where the owner is operating.
- The IPR owner should focus its enforcement on the markets and channels that are the most important for the IPR owner's business.

After prioritising the IPRs, the enforcement strategy should be a balance of:

- Online monitoring.
- Private field investigations.
- AFAs.
- Training for customs and police.
- Networking among the IPR owner and its distributors and licensees.
- Development of anticounterfeiting systems, for example hidden features, codes, RFID tags, and others.
- Constant dialogue with the main online marketplaces.
- Press releases and campaign to promote the genuine products and the culture of purchasing genuine products instead of fake ones.