

LEGISLATIVE DECREE No. 198 OF 19 MARCH 1996

Provisions for making national legislation in respect of industrial property conform to the mandatory provisions of the agreement on trade-related aspects of intellectual property rights – Uruguay Round

THE PRESIDENT OF THE REPUBLIC

Having regard to articles 76 and 87 of the Constitution;

Having regard to Law no. 747 of 29 December 1994, concerning the ratification and enforcement of the acts relating to the results of the Uruguay Round negotiations, as adopted in Marrakech on 15 April 1994, and especially to article 3 thereof, enabling the Government to issue provisions for making national legislation in respect of industrial property conform to the mandatory provisions of the agreement on trade-related aspects of intellectual property rights;

Having regard to Law no. 295 of 13 July 1995 and to Law no. 73 of 22 February 1996;

Having regard to the resolution of the Council of Ministers, adopted during the meeting of 18 March 1996;

On proposal by the Minister for Industry, Commerce and Trade, in agreement with the Minister for Foreign Affairs;

PROMULGATES

the following legislative decree:

Chapter I

AMENDMENTS TO ROYAL DECREE No. 929 OF 21 JUNE 1942 RELATING TO TRADEMARKS, AS LAST AMENDED BY LEGISLATIVE DECREE No. 480 OF 4 DECEMBER 1992.

Article 1

1. For Article 1 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'Article 1. –

1. The rights of the owner of a registered trademark shall consist in the faculty to make exclusive use of the trademark. The owner shall have the right to prevent all third parties not having his consent from using:

- a) signs identical with the trademark for products or services which are identical with those in respect of which the trademark was registered;
- b) signs identical or similar to the registered trademark for products or services which are identical or similar where, on account of the identity or similarity of the signs and of the identity or similarity of the products or services, this would result in a likelihood of confusion for the public, such confusion also including the likelihood of association between the two signs;
- c) signs identical or similar to the registered trademark for products or services which are not similar, where the registered trademark is well-known in the State and the use of the sign on no legitimate ground would result in taking undue advantage of the distinctiveness or the knowledge of the trademark or would be detrimental to the latter.

2. In the cases as per paragraph 1 the owner of a trademark may, in particular, prevent third parties from placing the sign on products or packaging; from offering such products, putting them on the market or holding them for such purposes, or from offering or providing the services distinguished by the said sign; from importing or exporting products distinguished by the said sign; from using the sign in commercial letters and advertisements.'

Article 2

1. For paragraph 3 of article 4 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'3. Registration shall be effective as regards the products or services mentioned therein as well as similar products or services, without prejudice to the provisions of paragraph 1, subheading c), of article 1.'

Article 3

1. For article 17 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'Article 17. –

1. A sign shall not be new, pursuant to article 16 above, if, on the date of the filing of the relevant application,

a) it consists exclusively in a sign which became of common use in everyday language or in the course of trade;

b) it is identical or similar to a sign which is already known as a trademark or a sign distinguishing products or services manufactured, put on the market or lent by others, for identical or similar products or services, where on account of the identity or similarity between the signs and of the identity or similarity between the products or services this would result in a likelihood of confusion for the public, which may also consist in a likelihood of association between the two signs. Further, a trademark shall be considered to be well-known if, pursuant to article 6bis of the Paris Convention (Stockholm text, July 1967), it is well-known to the relevant sector of the public, including on account of the knowledge obtained in the State through the promotion of the trademark. Previous use of the sign shall not rule out its novelty, provided it does not entail knowledge of such sign or entails knowledge of an exclusively local character. Previous use of the sign by the applicant or the previous right holder shall not be an obstacle to registration;

c) it is identical or similar to a sign which is already known as a firm, business or corporate name and emblem adopted by others, where on account of the identity or similarity between the signs and of the identity or similarity between the activity carried out by the undertaking and the products or services in respect of which the trademark was registered this would result in a likelihood of confusion for the public, which may also consist in a likelihood of association between the two signs. Previous use of the sign shall not rule out its novelty, provided it does not entail knowledge of such sign or entails knowledge of an exclusively local character. Previous use of the sign by the applicant or the previous right holder shall not be an obstacle to registration;

d) it is identical with a trademark which has already been registered in the State by others, or which is effective in the State following an application which was filed on a previous date or is effective from a previous date on account of a priority right or, in the case of a community trademark, of a valid claim to priority, for identical products or services;

e) it is identical or similar to a trademark which has already been registered in the State by others, or which is effective in the State following an application which was filed on a previous date or is effective from a previous date on account of a priority right or, in the case of a community trademark, of a valid claim to priority, for identical or similar products or services, where on account of the identity or similarity between the signs and of the identity or similarity between the products or services this would result in a likelihood of confusion for the public, which may also consist in a likelihood of association between the two signs;

f) in the cases as per subheadings d) and e), novelty of a trademark shall not be precluded by the existence of a prior trademark whose registration has not been renewed for over two years, or

for three years in the case of a collective trademark, or which may be considered to be cancelled on account of non-use, pursuant to article 42 below, at the time of the claim or counterclaim for nullity;

g) it is identical or similar to a trademark which has already been registered in the State by others, or which is effective in the State following an application which was filed on a previous date or is effective from a previous date on account of a priority right or, in the case of a community trademark, of a valid claim to priority, for products or services which are not similar, where the prior trademark is well-known in the European Economic Community, in the case of a community trademark, or in the State and the use of the subsequent trademark on no legitimate ground would result in taking undue advantage of the distinctiveness or the knowledge of the prior sign or would be detrimental to the latter;

h) it is identical or similar to a trademark which is already well-known as per article 6bis of the Paris Convention (Stockholm text, 14 July 1967), for products or services which are not similar, where the conditions obtain which are laid down under subheading g).

2. For the purposes as per paragraph 1, subheadings d), e) and g), prior applications shall be considered equivalent to prior registered trademarks, subject to subsequent registration.'

Article 4

1. For article 23 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'Article 23. –

1. Registration of a trademark in favour of aliens who do not have, in the State's territory, the undertakings from which the products or services originate that are distinguished by the said trademark may be granted on a reciprocal basis, i.e. if the applicants' States grant the same treatment to Italian nationals.

2. Nationals of the States which ratified and enforced the Agreement on trade-related aspects of intellectual property rights, adopted in Marrakech on 15 April 1994, shall be granted the treatment provided for in respect of Italian nationals.

3. Any benefits which international conventions confer, conferred or will confer on aliens in the State's territory, as regards trademarks, shall be presumed to be extended to Italian nationals.'

Article 5

For paragraph 1 of article 48 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'1. The owner of a prior trademark as per paragraph 1, subheadings d), e), g) and h), of article 17, and the holder of a right of prior use entailing knowledge of a character not purely local who permitted, for five consecutive years, use of a subsequently registered trademark, identical or similar to the former, being aware thereof, may not file an application to have nullity of the subsequent trademark declared nor oppose themselves to its use for the products or services in respect of which it was used, on account of their owning the prior trademark or being holders of the right of prior use, except when the application for the subsequent trademark was filed in bad faith. The owner of a subsequent trademark may not oppose himself to use of the prior one or to continuation of its prior use.'

Article 6

1. After article 58 of Royal Decree no. 929 of 21 June 1942 there shall be inserted the following:

'Article 58-bis. –

1. Where a party has provided substantial evidence that his claims are grounded and has identified documents, data or information which support such evidence and are in the possession of the opposing party, that party may obtain a judicial order that the said evidence be produced or the information acquired by questioning the opposing party. He may further obtain a judicial order that any data be provided as are necessary to identify the subjects involved in the production and distribution of the counterfeit products or services.

2. When adopting the above measures, the judicial authorities shall take such measures as are appropriate to ensure the protection of confidential information, after having heard the opposing party.'

Article 7

1. For article 61 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'Article 61. –

1. The right holder of a registered trademark, or of a trademark whose registration is pending, may request that description or seizure be ordered of all or some of the goods infringing such right, as well as of any implements used in producing the said goods and of the evidence concerning the reported infringement. In the latter cases such measures shall be adopted as are appropriate to ensure the protection of confidential information.'

Article 8

1. For article 62 of Royal Decree no. 929 of 21 June 1942, as subsequently amended, there shall be substituted the following:

'Article 62. –

1. Except where otherwise provided by the following paragraphs, the proceedings as per article 61 shall be governed by the provisions of the Code of Civil Procedure regarding precautionary remedies—namely, preparation of a case and seizure.

2. Description and seizure shall be performed by a bailiff, who may be assisted by one or more experts, where necessary, and may use technical, including photographic, equipment.

3. The parties concerned may be authorised to attend the above operations, including through their representatives, and to be assisted by technicians of their own choice.

4. Paragraphs 2 and 3 of article 693 of the Code of Civil Procedure shall not apply to description. For the purposes of article 697 of the Code of Civil Procedure, the condition of exceptional urgency must be considered equivalent to the need not to jeopardize enforcement of the remedy. The provisions of articles 669-octies, 669-novies, 669-undecies and 675 of the Code of Civil Procedure shall apply to description as well.

5. After the term as per article 675 of the Code of Civil Procedure has elapsed, description and seizure may be completed where already begun, but no such operations may be started on the basis of the same order; this is without prejudice to the possibility for the parties to apply to judicial authorities for further measures of description or seizure during the proceeding on the merits.

6. Description and seizure may concern goods belonging to subjects who were not specified in the complaint, provided that such goods were produced, offered, imported, exported or put on the market by the party in respect of whom the said measures were ordered and that such goods are not intended for personal use. The record of the seizure and description performed, along with the complaint and the judicial order, must be served on the third party to whom the goods undergoing seizure or description belong, within fifteen days of the completion of the said operations, under penalty of nullity.'

Article 9

1. For article 63 of Royal Decree no. 929 of 21 June 1942 there shall be substituted the following:

'Article 63. –

1. The right holder of a registered trademark, or of a trademark whose registration is pending, may request judicial authorities to issue an injunction prohibiting the manufacture, trade and use of the counterfeit trademark goods in accordance with the provisions of the Code of Civil Procedure regarding precautionary measures.

2. In issuing the prohibition injunction the judicial authority may determine a sum to be paid in case of infringement or non-compliance as well as of a delay in implementing the provision.'

Chapter II

AMENDMENTS TO LAW No. 164 OF 10 FEBRUARY 1992 CONCERNING PROVISIONS ON GEOGRAPHICAL INDICATIONS FOR WINES

Article 10

1. The following paragraph shall be added to article 24 of Law no. 164 of 10 February 1992:

'4-bis. Without prejudice to the provisions of paragraph 2 of article 2, recognition may be granted to all homonymous warranties of origin or geographical indications. The Ministry for agriculture, nutrition and forests shall determine the practical conditions under which, by means of suitable differentiating elements, the producers concerned may be ensured an equitable treatment and consumers are not misled.'

Chapter III

AMENDMENTS TO ROYAL DECREE No. 1411 OF 25 AUGUST 1940 CONCERNING UTILITY AND ORNAMENTAL DESIGNS, AS LAST AMENDED BY LAW No. 60/87

Article 11

1. The following paragraph shall be added to the first paragraph of article 12 of Royal Decree no. 1411 of 25 August 1940, as subsequently amended:

'The licensing fee for textile designs may be paid in yearly instalments.'

2. For item 2 of article 10 of Title IV of the tariffs annexed to ministerial decree of 28 December 1995 there shall be substituted the following:

'2. *Patent for utility and ornamental designs:*

- a) for the application, Lit 50,000;
- b) for the granting of the patent, if the whole sum is paid at one time, Lit. 1,000,000;
- c) for the granting of the patent, if the whole sum is paid by three instalments,:
 - a) Lit. 500,000, for the first five-year period;
 - b) Lit. 600,000, for the second five-year period;
 - c) Lit. 1,000,000 for the third five-year period;
- d) for the granting of the patent for textile designs, in respect of which the tax must be paid each year, Lit. 100,000 yearly;
- e) for the granting of the patent relating to a whole group or a series of layouts or designs, pursuant to article 6 of Royal Decree no. 1411 of 25 August 1940, Lit. 2,000,000 if the whole sum is paid at one time;
- f) for the granting of the patent relating to a whole group or a series of layouts or designs, pursuant to article 6 of Royal Decree no. 1411 of 25 August 1940, if the whole sum is paid by three instalments:
 - 1) Lit 600,000 for the first five-year period;
 - 2) Lit 1,000,000 for the second five-year period;
 - 3) Lit 1,500,000 for the third five-year period;
- g) for the granting of the patent for a whole group or a series of textile designs, pursuant to article 6 of Royal Decree no. 1411 of 25 August 1940, in respect of which the tax must be paid each year, Lit. 150,000 yearly.'

3. The following note shall be added to the notes to article 10, Title IV, item 2, of the tariffs annexed to ministerial decree of 28 December 1995:

6-bis. When an application is filed for a patent relating to a textile design, the licensing fee must be paid, being equivalent to the first yearly instalment; the subsequent yearly payments must be made within the last month of the preceding year. After the expiry of the latter term payment of the fee—including the additional charge as per paragraph 3, subheading b)—may be made within the next six months.'

Chapter IV

AMENDMENTS TO ROYAL DECREE No. 1127 OF 29 JUNE 1939 CONCERNING PATENTS FOR INDUSTRIAL INVENTIONS AS LAST MODIFIED BY LAW No. 338 OF 22 JUNE 1979

Article 12

1. The following article shall be inserted after article 1 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended:

'Article 1-*bis.* –

1. In particular, a patent shall confer the following exclusive rights on its owner:

a) where the subject matter of a patent is a product, to prevent third parties not having his consent from making, using, putting on the market, selling or importing for these purposes that product;

b) where the subject matter of a patent is a process, to prevent third parties not having his consent from using that process, and from using, putting on the market, selling or importing for these purposes the product obtained directly by that process.'

Article 13

1. Paragraph 2 of article 2586 of the Civil Code shall be repealed.

2. For article 2 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 2. –

1. In respect of process patents, any product identical with that produced by the patented process shall be deemed, in the absence of proof to the contrary, to have been obtained by the patented process:

a) if the product obtained by the process is new;

b) if there is a substantial likelihood that the identical product was produced by the process and the owner of the patent was unable, through reasonable efforts, to determine the process actually used.

2. In the adduction of proof to the contrary, the legitimate interest of the defendant in the protection of his manufacturing and business secrets shall be taken into account.'

Article 14

1. The following article shall be inserted after article 6 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended:

'Article 6-*bis.* –

1. Without prejudice to the provisions of article 2598, no. 3, of the Civil Code, the disclosure of business information to third parties, including commercial information lawfully within a competitor's control, or the acquisition or use of such information by third parties in a manner contrary to fair professional practices shall constitute an act of unfair competition, where the said information:

- a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to experts and operators in that sector;
- b) has commercial value because it is secret;
- c) is subject to reasonable steps under the circumstances, by the persons lawfully in control of such information, to keep it secret.

2. Disclosure to third parties of test data or other secret data, the processing of which involves a considerable effort, or the acquisition or use of such data by third parties in a manner contrary to fair professional practices, where the submission of such data is a condition of approving the marketing of chemical, pharmaceutical or agricultural products utilising new chemical entities, shall be also considered an act of unfair competition.'

Article 15

1. The words 'whose publication or' shall be deleted in paragraph 1 of article 13 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended.

Article 16

1. For article 53 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 53. –

1. Introducing or selling, in the State's territory, goods produced in States other than the member States of the European Union and/or of the World Trade Organisation shall not constitute implementation of an invention.'

Article 17

1. For article 54 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 54. –

1. If, after three years have elapsed from the date of granting of a patent, or four years from the date of the filing of an application in case the latter term expires after the former one, the owner of the patent or the previous right holder did not implement the patented invention, either directly or through one or more licensees, thereby producing in the State's territory or importing goods produced in a member State of the European Union and/or of the World Trade Organisation, or else implemented such invention to a disproportionate extent as compared with the State's needs, a mandatory licence may be granted for the non-exclusive use of that invention in favour of any person applying therefor.

2. The mandatory licence as per paragraph 1 may also be granted:

a) where the implementation of the invention was suspended or reduced for over three years to such an extent as to be seriously out of proportion to the State's needs;

b) where the patented invention cannot be exploited without affecting the rights relating to a patent granted following a previous application. In this case a licence may be granted to the owner of the subsequent patent to the extent that is necessary for the exploitation of that invention, provided the latter involves an important technical advance of considerable economic significance in relation to the invention claimed in the previous patent. Without prejudice to the provisions of paragraph 5 of article 54-bis, such licence shall be non-assignable unless with the assignment of the patent relating to the subsequent invention. The owner of the patent relating to the first invention shall be entitled, in his turn, to a cross-licence on reasonable terms to use the patent relating to the subsequent invention.

3. Any person filing an application for a mandatory licence as per the preceding paragraphs shall have to prove that he made prior efforts to obtain authorization from the owner of the patent and that he was unable to obtain such authorization on reasonable terms and conditions.

4. The provisions of this article shall not apply to patented inventions belonging to the Armed Services and to those which are kept secret pursuant to article 41 of this decree.'

Article 18

1. After the second paragraph of article 54-bis of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be inserted the following:

'A mandatory licence may be granted in case exploitation of an invention is aimed mainly to the supply of the domestic market.'

Article 19

1. The provisions as per articles 1 to 5 of Presidential Decree no. 360 of 18 April 1994 shall further apply to the procedure for granting a mandatory licence.

2. After article 54-ter of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be inserted the following article 54-*quater* which shall substitute for the one repealed by Presidential Decree no. 360 of 18 April 1994:

'Article 54-*quater*. –

1. The decree granting the licence shall set forth scope, duration and manner of the exploitation, safeguards and other conditions applying to the authorization as related to its purposes, and amount and payment conditions of the remuneration. In case of opposition, amount and payment conditions of the remuneration shall be set forth as per paragraph 2 of article 50.

2. The licence conditions may, by a decree of the Minister for industry, commerce and trade, be changed on application of any of the parties concerned where there are reasonable grounds to do so.

3. Paragraph 3 of article 50 shall apply to changes in the remuneration paid.

4. A licence shall be revoked by a decree of the Minister for industry, commerce and trade whenever the conditions applying to exploitation of the invention are not complied with or the licence owner did not pay the remuneration as prescribed in respect of its amount and payment conditions. If the owner or the previous right holder of the patent in respect of which a mandatory licence was granted authorised third parties to use that patent on more favourable conditions as compared with those set forth in the mandatory licence, such conditions shall be extended to the mandatory licence upon request of the licensee.

5. The Ufficio italiano brevetti e marchi [Italian patent and trademark office] shall be in charge of communicating the adopted measures to the parties concerned.

6. The decree granting the licence, the one concerning any changes in the relevant conditions, the one revoking such licence and the amount or any change in the remuneration due shall be published in the Bollettino dei brevetti [Bulletin of patents] and entered in the registry of patents.'

Article 20

1. After article 54-*quater* of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be inserted the following article 54-*quinquies* which shall substitute for the one repealed by Presidential Decree no. 360 of 18 April 1994:

'Article 54-*quinquies*. –

1. A mandatory licence shall also be revoked, by a decree of the Minister for industry, commerce and trade, if and when the circumstances that led to it cease to exist and are unlikely to recur.

2. Revocation may be requested by the patent owner by applying to the Italian patent and trademark office, which will readily communicate it, through a registered letter with notice of receipt, to the owner of the mandatory licence. The latter may, within sixty days of the receipt of the registered letter, lodge a grounded complaint against such revocation with the Italian patent and trademark office. Articles 4 and 5 of Presidential Decree no. 360 of 18 April 1994 shall apply.

3. In case of revocation, the person who had previously been granted the licence may exploit the invention on the same conditions within the limits of its pre-use or as resulting from serious, effective preparations.'

Article 21

1. Article 54-sexies of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, shall be repealed.

Article 22

1. For the second paragraph of article 60 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Expropriation may be limited to the right of using the invention for the public interest, without prejudice to the provisions as per article 54-quater and subsequent ones where compatible.'

Article 23

1. For article 77 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 77. –

1. The burden of proof in respect of invalidity or expiry of a patent for an industrial invention shall be in all cases on the person challenging the patent, whereas the burden of proof in respect of counterfeiting shall be on the patent owner.

2. Where a party has provided substantial evidence that his claims are grounded and has identified documents, data or information which support such evidence and are in the possession of the opposing party, that party may obtain a judicial order that the said evidence be produced or the information acquired by questioning the opposing party. He may further obtain a judicial order that any data be provided as are necessary to identify the subjects involved in the production and distribution of the counterfeit products or services.

3. When adopting the above measures, the judicial authorities shall take such measures as are appropriate to ensure the protection of confidential information, after having heard the opposing party.'

4. In respect of the subject matter of this decree, the *ex officio* technical consultant may be provided with documents relating to the questions asked by the judicial authorities even though such documents have not yet been produced in evidence. Each party may appoint more than one consultant.'

Article 24

1. For article 81 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 81. –

1. The right holder of a patent for industrial invention may request that description or seizure be ordered of all or some of the goods produced by infringing such right, as well as of any implements used in producing the said goods and of the evidence concerning the reported infringement. In the latter cases such measures shall be adopted as are appropriate to ensure the protection of confidential information.'

Article 25

1. For article 82 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 82. –

1. Except where otherwise provided by the following paragraphs, the proceedings as per article 81 shall be governed by the provisions of the Code of Civil Procedure regarding precautionary remedies—namely, preparation of a case and seizure.

2. Description and seizure shall be performed by a bailiff, who may be assisted by one or more experts, where necessary, and may use technical, including photographic, equipment.

3. The parties concerned may be authorised to attend the above operations, including through their representatives, and to be assisted by technicians of their own choice.

4. Paragraphs 2 and 3 of article 693 of the Code of Civil Procedure shall not apply to description. For the purposes of article 697 of the Code of Civil Procedure, the condition of exceptional urgency must be considered equivalent to the need not to jeopardize enforcement of the remedy. The provisions of articles 669-octies, 669-novies, 669-undecies and 675 of the Code of Civil Procedure shall apply to description as well.

5. After the term as per article 675 of the Code of Civil Procedure has elapsed, description and seizure may be completed where already begun, but no such operations may be started on the basis of the same order; this is without prejudice to the possibility for the parties to apply to judicial authorities for further measures of description or seizure during the proceeding on the merits.

6. Description and seizure may concern goods belonging to subjects who were not specified in the complaint, provided that such goods were produced, offered, imported, exported or put on the market by the party in respect of whom the said measures were ordered and that such goods are not intended for personal use. The record of the seizure and description performed, along with the complaint and the judicial order, must be served on the third party to whom the goods undergoing seizure or description belong, within fifteen days of the completion of the said operations, under penalty of nullity.'

Article 26

1. For article 83 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 83. –

1. The right holder of a patent for industrial invention may request judicial authorities to issue an injunction prohibiting the manufacture, trade and use of the counterfeit patented goods in accordance with the provisions of the Code of Civil Procedure regarding precautionary measures.

2. In issuing the prohibition injunction the judicial authority may determine a sum to be paid in case of infringement or non-compliance as well as of a delay in implementing the provision.'

Article 27

1. For article 83-bis of Royal Decree no. 1127 of 29 June 1939, as subsequently amended, there shall be substituted the following:

'Article 83-bis. –

1. The provisions as per articles 81, 82 and 83 may be applied for either from the time when the application is made known to the public or in respect of the persons to whom the application was notified in pursuance of article 4.'

Chapter V

AMENDMENTS TO LAW No. 70 OF 21 FEBRUARY 1989 CONCERNING LAYOUT-DESIGNS OF SEMICONDUCTOR PRODUCTS

Article 28

1. For article 5 of Law no. 70 of 21 February 1989 there shall be substituted the following:

'Article 5 (*Recognition of rights*). –

1. The exclusive rights as per article 4 shall be recognized if:

a) the layout-design complies with the requirements as per article 2;

b) the layout-design was registered in Italy or, in case of its previous commercial exploitation wherever in the world it occurred, its registration was accomplished within the term set forth in article 7;

c) the owner of the layout-design is, at the time of its first commercial exploitation or of filing an application for its registration,:

1) an Italian national or legal person, or a national or a legal person of any other member State of the European Union;

2) a national or a legal person of another State which is a party to the agreement on trade-related aspects of intellectual property rights adopted in Marrakech on 15 April 1994, or to a convention for the protection of layout-designs to which Italy has acceded;

3) a national or a legal person or a person who is resident or has a serious, effective plant for the creation of layout-designs or the production of integrated circuits in the territory of any of the States referred to under items 1 and 2;

4) a national or a legal person of other States to which Italy grants the same treatment as to its nationals on a reciprocal basis, although in the absence of bilateral international conventions for the protection of layout-designs, provided the legal protection granted by that other State to Italian nationals or legal persons is comparable to that laid down in this law.'

Article 29

1. For paragraph 3 of article 18 of Law no. 70 of 21 February 1989 there shall be substituted the following:

'3. If the acts designated under subheadings a) and b) of article 7 are performed after the first commercial exploitation of a semiconductor product without reservation clause, the owner of the registered layout-design shall be entitled to equitable remuneration and the infringer shall be entitled to being granted a licence on equitable conditions in order to continue the exploitation of the layout-design within the scope of its use prior to registration. Should the right holder refuse to grant a contractual licence, articles 54-quater and 54-quinquies of Royal Decree no. 1127 of 29 June 1939 shall apply as appropriate.'

Article 30

1. For paragraph 2 of article 19 of Law no. 70 of 21 February 1989 there shall be substituted the following, and paragraph 2-*bis* below shall be added thereto:

'2. In the case as per paragraph 1 it shall be allowed to continue the activity within the scope of the contracts already made and of the stock on hand; however, the holder of the exclusive rights shall be entitled to equitable remuneration after the time that he gave sufficient notice to the *bona fide* purchaser that the relevant layout-design was reproduced unlawfully.

2-*bis*. Failing an agreement between the parties, the said equitable remuneration shall be determined and paid by taking account of market prices and in accordance with the provisions as per paragraphs 2 and 3 of article 50 of Royal Decree no. 1127 of 29 June 1939, as subsequently amended.'

Chapter VI

PROVISIONS APPLYING TO GEOGRAPHICAL INDICATIONS

Article 31

1. Geographical indications shall be indications which identify a good as originating in a country, a region or a locality, where a given quality, reputation or characteristic of the good is exclusively or essentially attributable to its geographical origin, including natural, human and heritage factors.

2. Without prejudice to the provisions as per no. 2 of article 2598 of the Civil Code and to the special provisions applying to this subject-matter, as well as to trademark rights which were acquired previously in good faith, the use of geographical indications or of any other means in the designation or presentation of a product that indicate or suggest that such product originates in a locality other than its true place of origin, or that the product has such qualities as are typical of products originating in a locality designated by a geographical indication, shall constitute an act of unfair competition where it is apt to mislead the public.

3. The protection as per paragraph 2 shall not preclude third parties from using their own names in the activity performed, or the names of their prior right holders, unless such names are used in a manner which misleads the public.

Article 32

1. This decree shall enter into force on the day following that of its publication in the *Official Journal* [Gazzetta Ufficiale].

This decree, provided with the State's seal, shall be included in the official collection of laws and decrees of the Italian Republic. All concerned shall have to comply with it and to cause it to be complied with.
