

Newsletter

IP

THE REFORM OF THE INDUSTRIAL PROPERTY CODE: AS OF 23 AUGUST 2023, THE ENTRY INTO FORCE OF LAW NO. 102 OF 24 JULY 2023

August 2023

As of today, 23 August 2023, Law No. 102 of 24 July 2023 ("Law") - published in the Official Gazette of the Italian Republic No. 184 of 8 August 2023 - enters into force. It amends the Industrial Property Code set forth in Legislative Decree No. 30 of 10 February 2005 ("IPC") by making significant changes.

The [Newsletter](#) published on 30 May 2022 concerning the 'Draft Law ("DDL") for the revision of the Industrial Property Code already outlined its legislative process. It is worth reiterating here that the Law is part of the reforms envisaged by the National Recovery and Resilience Plan ('*Piano Nazionale di Ripresa e Resilienza*' so called "PNRR") and consists of 32 articles, divided into three chapters.

From their titles, it is easy to infer that the Law responds to different purposes. These include the strengthening of Italy's competitiveness, a more solid protection of industrial property rights, as well as to regulate mere administrative aspects, such as the simplification and digitalisation of procedures to boost business development (e.g., new chances to start opposition proceedings against imitative trademarks of DOPs, modification of the amounts of stamp duty for the registration of industrial property titles in order to encourage the use of digital stamps, possibility to pay patent filing fees not only at the time of filing the application, but also subsequently and, in any case, within one month from the filing of the application, etc.).

Like the DDL, the Law affects several matters and articles of the IPC. In essence, and with some exceptions, the Law incorporates what had already been provided for in the DDL. Here follows a brief summary:

- (i) art. 1 of the Law amends art. 14, para. 1, letter b), IPC entitled "*Prohibition of registration of trademarks evocative of geographical indications and protected designations of origin*" confirming what was previously provided for in the DDL and, therefore, providing for a broad prohibition of registration of signs. Signs liable to mislead the public, in particular as to the geographical origin, nature or quality of the goods or services, or as to the type of trademark, will continue to be prohibited from registration and, as of today, also all signs that evoke, imitate, or conflict with geographical indications and designations of origin cannot be registered. Pursuant to Art. 14 of the

Law, the amendment of Art. 170, para. 2, IPC was also confirmed. Please refer to par. (i) of the aforementioned Newsletter for more information in this regard;

- (ii) art. 2 of the Law introduces art. 34 bis CPI entitled "*Temporary Protection of Designs at Trade Fairs*". As already outlined in [the previous Newsletter](#), this provision will allow, upon request of the interested party and approval of the Ministry of Enterprise and Made in Italy (and no longer of the MISE, as provided for by the DDL), to obtain temporary protection of designs or models appearing in an exhibition, official or officially recognised, held in the territory of the State or in the territory of a foreign State that accords reciprocity of treatment. Pursuant to the second paragraph, the date of exposure of the design or model, or of the products incorporating them or they are applied to, will be taken into account for the priority of the application, provided that the application is filed within six months from the date of the exhibition thereof. Pursuant to art. 22, art. 129, para. 3, IPC is repealed and, consequently, it will henceforth be possible to seize counterfeit products exhibited at trade fairs, official or officially recognised exhibitions in the State or in transit to or from them. Please refer to paragraph (ii) of the above mentioned Newsletter for more information on this regard;
- (iii) art. 3 of the Law replaces the previous art. 65 IPC entitled "*Ownership of inventions made within universities and research bodies*". Here, not only the previous regime radically changed, but also changes have been introduced with respect to the DDL. According to the provisions of the Law, notwithstanding Art. 64 of the IPC, when the invention is made in the performance or fulfilment of an agreement or employment relationship, even if for a fixed term, with a university (including a legally recognised non-state university), a public research organisation or a scientific hospital and care institute (so called 'IRCCS'), as well as within the framework of an agreement between the same subjects, the rights arising from the invention belong to the structure to which the inventor belongs, and no longer to the inventor himself. The inventor's right to be recognised as the author of the invention, however, remains unaffected.

If the invention is achieved by more than one person, the rights arising from the invention belong to all the structures involved, unless otherwise agreed. In addition, a specification has been added to save the discipline of art. 6 IPC on the subject of industrial property rights belonging to more than one person.

The inventor must communicate the subject matter of the invention to the structure to which he belongs with the burden on both parties to safeguard its novelty. With respect to the DDL, it has been provided that, in case the inventor does not make such a communication, he/she will not be able to file a patent application in his own name pursuant to para. 3. In fact, the Law has provided that if the structure does not do so within the six-month period starting from the receipt of such communication (a period that can be extended for further three months) and/or if it has communicated the absence of interest, the inventor may proceed independently to file the patent application in his own name.

The DDL had introduced a right for the inventor to receive at least 50% of the income from the economic exploitation of the invention (a percentage equal to that currently provided for in the 'privilege' regime, less the costs incurred by the structure for the application, registration and renewal of patent protection). This right has been deleted. Instead, it has been provided that the rights deriving from the invention developed in the performance of research activities, financed, in whole or in part, by another entity,

are governed by the agreements between the parties drafted on the basis of the guidelines - which identify the principles and specific criteria for the regulation of contractual relations - adopted by decree of the Minister of Enterprise and Made in Italy, in agreement with the Minister of University and Research. These guidelines will be published within sixty days from the date of entry into force of the Law. In the meantime, the agreements entered into between the parties prior to the issuance of the aforementioned guidelines are not affected;

- (iv) art. 8 of the Law amends art. 198 of the IPC concerning '*Military secrecy procedures*'. This intervention is aimed at strengthening the preventive control over patent applications useful for the defence of the State. The Law has fully implemented what was already provided for by the DDL on the subject and, therefore, please refer to the examination in paragraph (iv) of the above mentioned Newsletter for more information on this subject.

The absolute novelty of the Law consists, however, in the introduction of the discipline set forth in art. 5. In particular, the Law modifies art. 59 of the IPC previously headed "*Preponderance of the European patent in the case of cumulation of protection*" and, as of today, headed "*Relationship between the European patent and the Italian patent*".

It should be pointed out that until now in Italy there was a principle of primacy of the European patent over the national patent, which ceased to produce its effects if it was overlapping the national patent. From today, on the other hand, it will be possible to benefit simultaneously from the protection of the same invention by means of a European patent and a national patent. In fact, the Law provides that "*if, for the same invention proposed by the same inventor, an Italian patent and a European patent valid in Italy or a European patent with unitary effect, having the same filing date or priority date, have been granted to the same inventor or his successor in title, the Italian patent maintains its effects and coexists with the European patent*". And this also in the case of subsequent invalidity or lapse of the patent. The change of direction clearly stems from the entry into force, as of 1 June 2023, of the new European patent system with unitary effect, which, as is known, allows an invention to be protected in all participating member states by filing a single application and paying a single annual renewal fee to the European Patent Office (EPO) (see our [previous Newsletter](#) on the matter).

This implies that companies will be able to file the unitary patent and make use of the UPC also in addition to the national patent and national applicable actions provided for the protection of the latter, and the choice to enforce one or the other will be taken in the light careful evaluations of the relative advantages and disadvantages presented by the concrete case.

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