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NEWS FROM THE FIRM

Orsingher Ortu – Avvocati Associati on the host committee of the IBA European Fashion and Luxury Law Conference
The IBA European Fashion and Luxury Law Conference was held in Milan on 20 and 21 June 2018, with a significant attendance of private practice lawyers and in-house counsel. Orsingher Ortu - Avvocati Associati was on the host committee of the event and sponsored the Welcome cocktail reception. Partner Domenico Colella was a member of the Conference Organising Committee.

Orsingher Ortu – Avvocati Associati with Royal Caribbean in the purchase of 66.7% of Silversea Cruises
A team from Orsingher Ortu – Avvocati Associati, together with Skadden Arps Slate Meagher & Flom, advised the listed company Royal Caribbean on the acquisition of the Italian group Silversea Cruises. The team was led by Pierfrancesco Giustiniani and Manfredi Leanza, and included Federico Roviglio.

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DATA PROTECTION

CJEU ruled on Facebook as a data controller

On 5 June 2018, the EU Court of Justice (ECJ) issued its judgment in case C-210/16 (Unabhängiges Landeszentrum für Datenschutz Schleswig-Holstein v. Wirtschaftsakademie Schleswig-Holstein GmbH and Facebook Ireland Ltd), ruling on a dispute between the German data supervisory authority ("GDSA") and a German company ("Company") which offered educational services by means of a fan page on Facebook and collected user data via cookies. Firstly, the ECJ ruled that the Company, acting as the fan page administrator, must be considered under Directive (EU) No. 46/1995 of 24 October 1995 (on the protection of individuals with regard to the processing of personal data and on the free movement of such data) as a data controller jointly responsible with Facebook Ireland for the processing of such data within the EU. Secondly, the ECJ argued that where an undertaking established outside the EU (such as Facebook) has several establishments in different Member States, the supervisory authority of a Member State (i.e. the GDSA) may exercise its powers under Directive (EU) No. 1995/46 against an establishment of that undertaking in the territory of that Member State (in this case, Facebook Germany), even when that entity is responsible only for marketing activities and the exclusive responsibility for collecting and processing personal data in the EU belongs to an establishment situated in another Member State (in this case, Facebook Ireland). Lastly, where the supervisory authority of a Member State (in this case, the GDSA) intends to exercise its powers against an entity established in that Member State (i.e. the Company) in relation to data processing infringements committed by a third party established in another Member State (i.e. Facebook Ireland), that supervisory authority is empowered to evaluate the lawfulness of that data processing and to apply relevant sanctions, independently of the supervisory authority of the third party's Member State (Ireland supervisory authority).

KNOW-HOW

Italian Legislative Decree on trade secrets published in the Official Journal

On 7 June 2018, the Italian Official Journal formally published Legislative Decree No. 63/2018 for the implementation of Directive (EU) No. 943/2016 of 8 June 2016 (on the protection of undisclosed know-how and trade secrets against their unlawful acquisition, use and disclosure) ("Legislative Decree No. 63/2018"). Legislative Decree No. 63/2018 – which entered into force on 22 June 2018 – amends several articles of the Italian Intellectual Property Code (the "IPC"). Among others, the wording "confidential business information" has been replaced with the broader definition of "trade secrets". In addition, Article 124 of the IPC – which lays down the corrective measures and civil sanctions ("Sanctions") for intellectual property rights infringements by a third party – has been modified as follows. Firstly, in proceedings related to the unlawful acquisition, use or disclosure of trade secrets by third parties, the court must consider, inter alia, the following elements when applying the Sanctions: (a) the value of the trade secret; (b) the reasonable measures taken by the owner to protect his/her trade secret; (c) the behaviour of the infringer; (d) the consequences of the disclosure and (e) the public interest. Secondly, if the application of Sanctions (which also include injunction against the manufacture, sale and use of the items based on such infringement, destruction or seizure of said items and their means of production) may be disproportionately burdensome for the infringer, the court may order an alternative sanction consisting of an indemnity to be paid by the infringer in favour of the right holder. The indemnity may be granted solely provided that: (a) the infringer at the moment of the use or disclosure of the trade secret was unaware – or could not have been aware – that the trade secret he/she obtained from a third party had an unlawful origin; and (b) the indemnity represents an amount which is proportionate to the damage suffered by the right holder in connection with the infringement.

PATENTS

Commission proposal on "export manufacturing waiver" to SPC

On 28 May 2018, the Commission issued a proposal to amend Regulation (EU) No 469/2009 of 6 May 2009 (concerning the supplementary protection certificate for medicinal products, the "SPC Regulation"). The proposal is intended to introduce into the SPC Regulation the so-called "export manufacturing waiver", which entitles EU-based companies to manufacture a generic or biosimilar version of an SPC-protected medicine during the term of the certificate, provided that is done exclusively for the purpose of exporting to a non-EU market where protection has expired or never existed. The waiver, in the Commission's view, will support Europe's pioneering role in pharmaceutical research and development.

CAPITAL MARKETS

Amendments to Market Rules and ExtraMOT market Rules

On 30 May 2018, with Notice No. 11789 and Notice No. 11790, Borsa Italiana announced amendments to certain provisions of the Rules of the Markets managed and organised by Borsa Italiana itself (and, consequently, the relevant Instructions) and of the ExtraMOT market Rules. The amendments entered into force on 25 June 2018.
As regards the MTA Market, in light of the significant increase in the number of IPOs and multiple requests for transfers on the AIM Italia Market and the MTA Market, the checks on admissions have been strengthened and now also require evaluations and assessments from the Sponsor pursuant to the general rules. In addition, as regards the general listing requirements, Borsa Italiana has clarified that the shareholdings held by CIUs are considered as free float even if they exceed the thresholds provided for transparency purposes, provided that they do not result in controlling shareholdings or shareholdings bound by shareholders' agreements.
As regards the MOT Market, a new professional segment reserved solely for qualified investors has been introduced. The new provisions allow the relevant issuers to prepare a simplified prospectus pursuant to the new Regulation (EU) No. 1129 of 14 June 2017 (on the prospectus to be published when securities are offered to the public), which will apply as from 21 July 2019. The relevant Rules for the ExtraMOT Market have been amended in order to ensure consistency with the Italian Civil Code provisions on the exclusion from trading of corporate bonds. As a result, any request for the exclusion of corporate bonds from trading submitted to Borsa Italiana is subject to the approval of the bondholders' meeting pursuant to Article 2415, paragraph 3, of the Italian Civil Code.

FINANCE

Reform of the cooperative banking system: new supervisory provisions.

On 11 May 2018, the Italian Central Bank (Banca d'Italia) issued supervisory provisions for cooperative banks (the "Supervisory Provisions") following public consultation which ended on 10 November 2017 (cfr. our October 2017 Echo. The Supervisory Provisions complete the reform of the cooperative banking system initiated with the issuance of Law Decree no. 18/2016, converted by Law no. 49/2016, and followed by the relevant implementation provisions issued by the Italian Central Bank in November 2016. The Supervisory Provisions mostly focus on highlighting certain specific elements to qualify cooperative banks as banks with a mutualistic purpose and local nature such as (a) shares and classes of shareholders, (b) authority to carry out their business in the relevant territory, (c) majority of business to be carried out with their members and limits on the activity of such banks outside their territory, (d) permitted transactions with and shareholdings in other companies. The Supervisory Provisions entered into effect on 12 May 2018.

LABOUR

Dismissals for poor performance cannot be grounded on frequent sick leave

On 8 May 2018, the Italian Supreme Court issued its judgment (No. 10963/2018) holding that frequent absences from work for illness cannot justify a dismissal for poor performance. The Court stated that dismissals for poor performance must depend on the employee's negligence (i.e. the qualitative and/or quantitative inadequacy of the work performed by the employee). In other words, the dismissal of an employee for poor performance cannot be made for reasons that are not within the employee's control (such as sick leave), even if they affect the employer's business objectives/targets. The Court's reasoning was that, although employees are obliged to perform their work with due diligence, they are not obliged to achieve specific results; therefore, provided due diligence is shown, an "unsatisfactory" performance is insufficient grounds for dismissal, especially if not strictly due to the intention or fault of the employee.

TRADEMARK

The European union tribunal rejects Prada's opposition to "the rich Prada" trademark

On 5 June 2018, the General Court (GC) of the EU issued its judgment in case T-111/16 (*Prada SA v. EUIPO*), rejecting the complaint filed by Prada against the judgment of the EUIPO's Second Board of Appeal dated 13 January 2016 - 14 March 2017 (joint cases R 3076 / 2014-2 and R 3186/2014-2). The Second Board of Appeal, in turn, had rejected Prada's opposition (based on the numerous word and figurative trademarks including the word "Prada") to the word trademark "The Rich Prada" and decided that the latter could be validly registered for goods and services included in classes 30, 32, 35, 36, 37, 41, 43, 44 and 45 of the Nice Classification. The GC upheld such decision, pointing out, *inter alia*, that the plaintiff had not proved the risk of a detriment to the distinctive features of the "Prada" trademarks. In this respect, more specifically, the plaintiff had failed to prove an actual change in consumer behaviour due to the new trademark, or the risk that such a change may occur in the future.

INDUSTRIES

FASHION AND LUXURY

The ECJ on the Louboutin Trademark

On 12 June 2018, the EU Court of Justice (ECJ) issued its judgment in case C-163/16 (*Christian Louboutin* SAS v. *Van Haren Schoenen BV*) holding that the trademark consisting of the colour red applied to the sole of a shoe can be registered and enforced by Christian Louboutin. According to the ECJ, Article 3(1)(e)(iii) of Directive (EC) No. 2008/95 of the Council of 22 October 2008 (trademark directive) must be interpreted as meaning that a sign consisting of a colour applied to the sole of a high-heeled shoe, does not consist exclusively of a 'shape', within the meaning of that provision.

TECHNOLOGY AND MEDIA

Sector Inquiry on "Big Data": the Italian Competition Authority publishes its preliminary findings

Following the launch of the Joint Sector Inquiry on "Big Data" on 30 May 2017, the Italian Competition Authority ("ICA") released, on 8 June 2018, its preliminary findings on the attitude of online users' to consenting to the use of their data in exchange of services ("Interim Report"), which explains the results obtained through a survey (made up of a total of 27 questions) carried out on a sample of 2,269 users covering 3 main issues: (i) users' level of awareness of the access to their individual data by digital platforms; (ii) users' willingness to provide their personal data as a form of consideration for online services; and (iii) data portability. The Sector Inquiry is expected to be finalized at the end of the year and the second phase of the inquiry will tackle issues such as the analysis of market power and the effect of mergers (including conglomerate mergers) in the digital economy, the qualitative dimension of competition in markets where services are offered for free and the effects of the use of data to profile users and offer them customised services and commercial terms.

MEDIA

Copyright Directive draft approved by JURI EU Parliament Commission

On 20 June 2018, the European Parliament's Committee on Legal Affairs ("JURI") approved a new draft of the Directive of the European Parliament and of the Council on Copyright in the Digital Single Market (the "Copyright Directive"). The JURI accepted the approach suggesting the provision in Article 13 of the Copyright Directive of the possibility for internet service providers (ISPs) to be monitored for copyright infringement. Article 11 would grant rights holders and news publishers greater protection against the online exploitation of their content. The Copyright Directive will now be presented to the European Parliament for approval by plenary vote. The Copyright Directive will subsequently be debated in "trilogue negotiations" with the EU Commission and the EU council.

Authored by Ludovico Anselmi, Domenico Colella, Cesare De Falco, Giulia Ferrari, Davide Graziano, Andrea Lamonica, Manfredi Leanza, Giulia Loi, Federica Paniz, Beatrice Rossi, Fabrizio Sanna, Arturo Santoro, Francesco Senesi.

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