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NEWS FROM THE FIRM

Legal community IP&TMT Awards: Orsingher Ortu – Avvocati Associati again wins for best TMT law firm
At the Legal Community IP&TMT Awards gala dinner held on 14 May, the firm was recognised, for the second consecutive year, as TMT firm of the year Italy.

The Firm with Cirsa Group for the new 390 million Euro secured bond
A team led by Pierfancesco Giustiniani and Manfredi Leanza and including Federica Paniz, Elisa Cappellini e Francesco Senesi assisted Cirsa, the international group leader in the Casino management, gaming and gambling business, in the issue of a new 390 million Euro senior secured bonds. It is the second issue in the last 12 months by the group, which in July 2018, with assistance of the same team, had issued another senior secured bond for an aggregate amount of Euro 1.5 billion.

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LABOUR

ECJ on recording of employee working time

On 14 May 2019, the EU Court of Justice (ECJ) issued its judgment in case case C-55/18 (*Federación de Servicios de Comisiones Obreras c. Deutsche Bank SAE*), stating that companies operating in EU Member States must set up an objective, reliable and accessible system for the recording of their employees' working time, in order to ensure the effectiveness of the rights provided for in Directive (EC) No. 2003/88/EC of 4 November 2003 (concerning certain aspects of the organisation of working time, the "Working Time Directive"). The case stemmed from an action brought by a Spanish trade union (CCOO) with the objective of requiring Deutsche Bank to set up a system for the recording of the working hours of its employees on a daily basis, in order to enable the Union to verify that the bank was complying with work time labour laws. The ECJ held that the recording of time worked on a daily basis by each worker "is essential in order to establish whether the maximum weekly work time - including overtime - and minimum daily and weekly rest periods have been complied with". The court concluded that the absence of a system enabling that calculation makes it "excessively difficult for workers to ensure that their rights are complied with" and that, as a result, EU Member States need to define the specific arrangements for implementing such a system "having regard (...) to the particular characteristics of each sector of activity".

ADVERTISING

AGCOM releases guidelines on gambling advertising ban

On 18 April 2019, the Italian Communications Authority ("AGCOM") released its Guidelines on the application of the provisions contained in Article 9, I of Law Decree no. 87 of 12 July 2018 concerning the general ban on any form of advertising, whether direct or indirect, relating to gambling and games with cash winnings, , including sports, cultural and artistic events, TV or radio programmes (applicable from 1 January 2019, or 13 July 2019 for agreements executed before the decree was passed). The ban applies to companies with a registered office in Italy and companies with a registered office abroad which are permitted to offer paid gaming in Italy by the Italian Customs and Monopolies Agency and Italian audio-visual media service providers. The Guidelines contain the following exceptions to the general ban: informative communications provided by gambling operators without displaying their brand or logo; signs and domain names merely identifying the place where the relevant activity is carried on; and B2B communications and communications circulated in specialist trade magazines. The ban applies as from 14 July 2018 for advertisements and from 1 January 2019 for sponsorship agreements. Sponsorship and advertising agreements executed and under execution before 14 July 2018 are subject to the previous national rules on gaming or betting with cash winnings and gambling, and may continue until the earlier of (i) their respective expiration date and (ii) 13 July 2019. AGCOM has powers to investigate violations of the Decree and Guidelines and to impose on the relevant gambling operator an administrative fine of (up to 20% of the value of the sponsorship or advertising, and in any case not less than 50,000 Euro for each violation).

DATA PROTECTION

EDPB's Guidelines on contracts as a legal basis for data processing in online services

On 9 April 2019, the European Data Protection Board ("EDPB") – the independent European body which contributes to oversees the consistent application of data protection rules throughout the European Union – issued its Guidelines on the processing of personal data under Article 6(1)(b) of the GDPR in the context of the provision of online services to data subjects (the "*Guidelines*"). Article 6(1)(b) provides that processing is considered lawful only if it is "necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract". According to the EDPB, in the context of contracts for information society services, the "necessity" of processing personal data for the performance of a contract must be carefully evaluated with regard to the specific contract in question. In particular, the online services provider must assess what is "objectively necessary" to the delivery of that contractual service and what is only "useful", but not objectively necessary, as the latter would not be lawfully processed under Article 6(1)(b). The Guidelines confirm that personalisation of content may be regarded as necessary for the performance of certain online services (e.g. an online news site which offers an aggregation service delivering tailored content based on the interests disclosed by users on setting up their personal profile).

PATENTS

New rules on patent box regime

The Growth Decree amended the patent box provisions, allowing taxpayers to directly determine the amount of income eligible under this regime, as an alternative to the existing procedure which requires taxpayers to seek a prior agreement with the Italian tax authority in this regard.

New rules on international patent applications

The Growth Decree also amended the provisions of the Italian Intellectual Property Code regulating international patent applications which include Italy as a designated country. Pursuant to the new regime, the holders of such patent applications will be entitled to open a procedure before the Italian Patent Office to be granted a national Italian patent, as an alternative to the existing procedure which requires applicants to open a Euro PCT procedure before the European Patent Office.

SPC export manufacturing waiver approved by the European Parliament

On 17 April 2019, the European Parliament approved the amendment to Regulation (EU) No. 469/2009 of 6 May 2009 on Supplementary Protection Certificates ("SPC"), including the so-called 'export manufacturing waiver', which entitles EU-based companies to manufacture an SPC-protected medicine during the term of the SPC, if done exclusively for the purpose of exporting to a non-EU market where protection has expired or never existed (for additional information, please refer to Our Echo of June 2018. The Council of the EU is now expected to approve the amendment, which shall then enter into force on the 20th day after its publication in the EU Official Journal.

CONSUMER LAW

Reform of class actions enacted

On 18 April 2019, Law No. 31 of 3 April 2019 (entitled "Rules on class action") was passed by the Italian Parliament and published in the Italian Official Gazette. This Law, which significantly reforms the regulation of class actions, aims to encourage the use of class actions by broadening their scope and application. The new rules on class actions, previously contained in the Consumer Code and now included in the Code of Civil procedure (Article 840-bis and ff.) significantly broaden the category of claimants entitled to lodge a class action, making the procedure available to all holders of "homogeneous individual rights", whether consumers or not. Joining the class action (the so-called opt-in) is permitted: (a) once the court has granted leave for the action to be brought, deeming the claim to be admissible, as already provided for in the Consumer Code, and (b) following a ruling on the merits which establishes the responsibility of the defendant and granting compensation for damages in favour of the applicants. If the claim is upheld by the Court, the procedure for establishing the amount of damages begins. In this case, judge receives the class members' petitions (summoned by the members' common representative) to join the liquidation phase, and adjudicates the amount to be liquidated. The entire procedure is governed by the "summary proceeding" (rito sommario di cognizione) which is held before the Court's Business Division ("Tribunale delle Imprese"). Law No. 31/2019 will come into force on 19 April 2020.

TRADEMARKS

New rules on "Historic trademark" and "Italian sounding"

Further to the item above, the Growth Decree also partially amends the Italian Intellectual Property Code to strengthen the protection of certain Italian trademarks. According to the Growth Decree, the owners (or exclusive licensees) of trademarks registered or used for at least 50 years for the marketing of products or services linked to the Italian territory may have their trademarks enrolled in the new "*Historic Trademark Register*", opened at the Italian Patents and Trademark Office, and may use the logo "*Historic trademark of national interest*" along with the relevant trademarks (Section 31 of the Decree). Furthermore, "*Italian sounding*" practices (aimed at falsely evoking an Italian origin for foreign products) are now construed (and punished) as an act of piracy, under the supervision of the *National Council for the fight against counterfeiting and Italian Sounding* (formerly the *National Anti-counterfeiting Council*). Italian consortia operating in foreign markets may benefit from a 50% discount on the legal costs incurred to protect their products damaged by "Italian sounding" practices (up to a maximum amount of Euro 30,000 per year) (Section 32 of the Decree).

A new EU regulation comes into force

On 18 April 2019, Regulation (EU) No. 517/2019 of 19 March 2019 (on the implementation and functioning of the .eu top-level domain name) came into force. The Regulation, amending and repealing Regulation (EC) No. 733/2002 and Regulation (EC) No. 874/2004 provides for a more flexible eligibility criteria for ".eu" domain ownership, which can now be applied for by (a) an undertaking established in the European Union; (b) an organisation established in the EU; (c) a natural person who is not an EU citizen and who is a resident of a Member State; and also (d) a natural person who is an EU citizen, regardless of where the latter is resident. The Regulation will be applicable from 13 October 2022.

FINANCE

A new collective investment vehicle: the Simplified Investment Company

On 30 April 2019, Law Decree No. 34 of 30 April 2019 (so-called "Decreto Crescita" or "Growth Decree") was published in the Official Gazette. Article 27 of the Growth Decree introduces and details the characteristics of a new collective investment vehicle – the Simplified Investment Company (the "SIS") – by amending article 1 and article 35-*undecies* of the Italian Consolidated Law on Finance (the "TUF"). The SIS is structured as an Italian alternative investment fund reserved for professional investors. On the basis of the relevant amendments to the TUF, the SIS will be incorporated as a SICAF which manages its assets directly and is obliged to comply with the following conditions: (a) net equity of the SIS may not exceed Euro 25,000,000.00, (b) the exclusive purpose of the SIS will be to invest in non-listed SMEs in the experimentation, creation and start-up phases of their business, (c) the SIS may not incur leveraged debt, and (d) its share capital must be no less than Euro 50,000.00. The SIS will be exempt from the application of certain provisions on collective investments issued by Consob and the Bank of Italy. In particular, pursuant to the amended article 35-*undecies* of the TUF, certain provisions on capital requirements, investment policies, risk-containment criteria, value of shares, corporate governance and remuneration policies will not apply to SIS structures. The Growth Decree entered into force on 1 May 2019 and has already been submitted to Parliament for conversion into law.

INDUSTRIES

FOOD

The use of figurative signs evoking areas covered by a PDO may be unlawful (according to the ECJ)

On 2 May 2019, the EU Court of Justice (ECJ) issued its judgment in case C-614/17 on the interpretation of Article 13(1)(b) of Regulation (EC) No. 510/2006 (on the protection of geographical indications and designations of origin for agricultural products and foodstuffs). The case concerned the use, for cheeses not covered by the "queso manchego" Protected Designation of Origin, of labels evoking the Spanish region La Mancha (through the use of signs resembling Don Quixote and related characters of De Cervantes' novel). According to the ECJ, Article 13(1)(b) of the Regulation must be interpreted as meaning that (a) a registered name may be evoked through the use of figurative signs; and (b) the use of figurative signs evoking the geographical area with which a designation of origin is associated may evoke that designation, including in cases where such figurative signs are used by a producer established in that region, but whose products, similar or comparable to those protected by the PDO, are not covered by it.

MEDIA

Collecting societies: agreement reached between SIAE, LEA and Soundreef Ltd

On 10 April, 2019, SIAE, LEA (Liberi Editori Autori) and Soundreef Ltd published a joint press release declaring the end of all disputes currently pending between the parties and initiated following the liberalisation of the Italian copyright collective management market (see Our Echo - August September 2018). More specifically, the relevant collecting societies undertake to amend their Statues and Regulations by 30 June 2019, in order to acknowledge the final liberalisation of the Italian market (with the resulting end of SIAE's *de jure* monopoly) and LEA's legitimate right to operate therein to gather and distribute copyright compensation on behalf of its right-holders. Notably, the parties further recognised that entering into music license agreements with SIAE is no longer sufficient, since users must execute an additional license agreement with LEA to the extent that users exploit the music of authors represented by LEA.

TECHNOLOGY

AGCM fines major Italian telephone companies for discrimination against foreign IBANs

On 10 April 2019, the consumer protection division of the Italian Competition Authority (the "ICA") concluded proceedings against 4 major Italian telephone companies for breach of Article 9 of Regulation (EU) no. 260/2012 which provides that neither a payer nor a payee shall specify the Member State in which that payment account is to be located, provided that the payment account is reachable. The ICA fined Italian phone companies a total amount of Euro 2.2 million for certain of the infringements and accepted commitments from a company in relation to other infringements. Notably, in the proceedings at hand, the ICA investigated the trend of telephone companies refusing to allow customers to pay for services by bank domiciliation on current accounts opened with banks based in European Union countries other than Italy (i.e. with IBANs not including the national initials "IT"). According to the ICA, such behaviour represents geographical discrimination in payment services and therefore constitutes a violation of the aforementioned Article 9 of the Regulation, which is precisely aimed at preventing so-called "IBAN discrimination". For more information please see the following ICA decisions: PS27642, PS27644, PS27645 and PS27643.

AUTOMOTIVE

"Vespa" shape protected as trademark and copyright work

On 16 April 2019, the Court of Appeal of Turin confirmed the decision of the Tribunal of Turin that held the shape of "Vespa" scooter protected as a shape trademark and by copyright pursuant to Italian Laws.

E-COMMERCE

The EU adopts new Directives on digital content and sales contracts for goods

Following the proposal of the European Commission, on 15 April 2019 the European Council adopted a new set of rules aimed at ensuring a high level of consumer protection for both consumers and traders in all EU transactions, i.e. the Directive on certain aspects concerning contracts for the supply of digital content and digital services (the "Digital Content Directive") and the Directive on certain aspects concerning contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC (the "Sale of Goods Directive"). In particular, the Digital Content Directive, concerns digital content and covers, *inter alia*, data produced and supplied in digital form (e.g. music, online video, etc.), services allowing for the creation, processing or storage of data in digital form (e.g. cloud storage), services for the sharing of data (e.g. Facebook, YouTube, etc.), any durable medium used exclusively as a carrier of digital content (e.g. DVDs), interpersonal communication services, bundle contracts and the processing of personal data. Among other innovations, the Digital Content Directive provides that the duration of any guarantee in relation to non-conformity shall not be less than 2 years from the date of supply and that, where it is not possible to repair a defect within a reasonable period of time, the consumer is entitled to a reduction of or full reimbursement of the price. The Sale of Goods Directive, on the other hand, will apply to all goods, including those products with a digital element (e.g. smart fridges) and provides, *inter alia*, for a 2 years minimum guarantee period from the time the consumer receives the relevant good(s) and a 1-year period for the reversed burden of proof in favour of the consumer. Following the publication of the Directives in the EU Official Journal, the Member States will have 24 months to implement the new rules in national law and, notwithstanding the basic principle of maximum harmonisation of the rules on consumer contracts across the EU , each of the Member States will, in relation to specific aspects, have the power to provide for enhanced provisions in order to maintain the level of consumer protection already existing at national level.

The Advocate General qualifies Airbnb as an information society service

On 30 April 2019, the Advocate General Szpunar (AG) of the EU Court of Justice (ECJ) issued his opinion (the "Opinion") in the case C-390/18 (*AIRBNB Ireland UC v. Hotelière Turenne SAS, Association pour un hébergement et un tourisme professionnel, Valhotel*). The case was referred to the ECJ for a preliminary ruling to ascertain whether services provided by AIRBNB Ireland fall within the scope of the restrictive French rules as applicable to the real estate agent or, conversely, whether it should be considered as an 'information society service' under Article 1(1)(a) of Directive EU No. 2015/1535 of 9 September 2015 (laying down a procedure for the provision of information in the field of technical regulations and of rules on information society services). In his Opinion, the AG ruled that a service consisting in connecting potential guests with hosts offering short-term accommodation, via an electronic portal, in a situation in which the provider of that service does not exercise control over the essential procedures for the provision of those services, constitutes an information society service.

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