

ITALY
Report 2010-2011 def
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Legal developments

No outstanding new Laws have been enacted in the last two years in Italy in the field of Copyright. Nonetheless, we have assisted to lively debates concerning two main issues that are under scrutiny in the European Union: the private copying remuneration regime and the enforcement of copyright in the Internet. In addition, a few amendments to the Copyright law of 1941 have been enacted in order to comply with European rules.

However, before analysing the strictly Italian development it is worth mentioning the new legislation enacted in Vatican City, that has close connections with the Italian Law.

New Copyright Law of Vatican City

On March 19, 2011, the Holy See published the new Copyright Law for Vatican City, replacing Law XII of January 12, 1960. As the previous one, the new Law is issued by reference to the Copyright Law of the Italian Republic. The main change is that, while the law XII/1960 referred merely to the legislation then in force, according to the new legislation the amendments or revisions to the Italian Law are now automatically inserted into the Vatican legislation, as long as they are not contrary to the precepts of the divine law nor to the general principles of the catholic canon law¹, or to the rules of the Treaty signed between the Holy See and the Italian State and of other international treaties.

One deviation from the Italian copyright rules consists in the fact that all laws, legal acts, and public documents of the Vatican are copyrightable. This differs from art. 11 of the Italian Law, according to which all such acts and documents are not protected by copyright. The Vatican approach aims at safeguarding the authenticity, completeness, and reliability of such acts and documents in case of dissemination by third parties. Nonetheless, the correct unaltered usage of Vatican's public acts is permitted when made without gainful intent.

Copyright has been extended to the Pope's voice and image, that – together with all the works authored by the Pope – are under the control of *Libreria Editrice Vaticana*, *Centro Televisivo Vaticano*, and Vatican Radio. The new Law establishes as well the Vatican Committee for Intellectual Property.

Collective management of performers' rights

There is no general legislation on copyright management in Italy. Apart to the role conferred historically on SIAE (Italian Society of Authors and Publishers), the legislative approach has been quite inconsistent. The most recent rules concern the collective management of performers' related rights, entrusted to IMAIE (*Istituto Mutualistico Artisti Interpreti Esecutori*), by Law of February 2, 1992 n. 93. In 2009, following some

¹ Usual limits applicable to all legal sources in Vatican City according to Law of October 1, 2008 n. LXXI.

irregularities in the allocation of cultural funds reserved by law to the Institute, IMAIE was liquidated. Subsequently, art. 7 of Decree-Law of April 30, 2010, n. 64 (enacted in Law June 29, 2010, n. 100) established a new entity called “Nuovo IMAIE”, which derives its tasks from the rules previously applicable to the liquidated Institute. The new IMAIE is subject to the joint supervision of the Presidency of the Council of Ministers, of the Ministry of Culture, and of the Ministry of Welfare.

Some internal conflicts concerning IMAIE’s governance, its membership rules and its distribution rules have remained unsolved. Recently, a general rule on the administration of neighbouring rights has been enacted (Article 39.2 of Law of March 25, 2012, n. 27, Annex). It introduces the principle that the collective administration of related rights is free, in whichever form it is realized, without any distinction between producers and performers. In principle, the decree deletes the monopoly of IMAIE (implicitly transferred to Nuovo IMAIE in 2010), while stating that the aim of the provision is the competition of more enterprises for collective management of such rights. The President of the Council of Ministers should define by Decree the minimal requirements to act as intermediary in the management of neighbouring rights but the three months assigned for this purpose have passed without any regulation being proposed.

Specialized IP Sections

Legislative Decree June 27, 2003 n. 168 instituted the specialized judiciary “Sections” with competence on matters of industrial and intellectual property, with the objective of ensuring an effective, adequate and timely definition of the judicial proceedings in such field. Their competence was originally limited to national, international, and EU trademarks, patents, plant varieties, utility models, designs, and copyright as well as unfair competition interfering with the protection of industrial and intellectual property. The Law of March 27, 2012, enacting into law Decree-Law of January 24, 2012, n. 1, transforms the specialized Sections for Intellectual Property into the so-called Specialized Sections for matters related to Companies. Their competence is extended to the controversies related to corporations, limited liability companies, cooperatives and insurance companies, including antitrust proceedings, except for consumers’ class actions. The enlargement of the competence of the Specialized Sections may contradict the aim of efficiency proclaimed in the relevant provisions.

Implementation of the Audiovisual Media Directive and proposed regulations for the copyright enforcement in the Internet

Directive 2010/13/EU of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services was implemented transforming the Consolidated Law on Broadcasting into the Consolidated Law of Audiovisual Media Services, regulating both Radio and Tv (Legislative Decree 177/2005, as modified by Legislative Decree March 15, 2010, n. 44). According to such implementation the Communication Regulatory Authority was empowered to approve deliberations for the copyright enforcement in the fields subject to its activities.

The new article 32-bis of the consolidated Law concerns directly copyright enforcement, quoting also directive 2001/29/CE on copyright in the Information society. The article requires that audiovisual media providers comply in full with the copyright law, without differences in relation to the technological platform they use for their services (digital terrestrial TV, satellite TV or IPTV). Specifically the article refers also to the rights of the audiovisual producers as to the so-called windows to avoid overlapping among successive

forms of exploitation. In this respect, reference is made (quite inconsistently) to art. 3. e) of the AVMS Directive.

It also forbids explicitly to service providers to put at the disposal of their users programs or parts thereof that are in third parties' copyright absent the consent of these latter, without prejudice for the coverage of current events.

The same article delegates the Authority for Communications to introduce a regulation enforcing limits and prohibitions related to Copyright in the audiovisual exploitation. The powers of the Authority in this field refer to an articulated number of rules in different laws, namely

(i) art. 182 bis of the Copyright Law dated April 22, 1941, n. 633, introduced by Law 248/2000, art. 11.

(ii) D.Lgs. n. 70/2003 implementing European directive 31/2000/CE on ecommerce

(iii) Codice delle Comunicazioni Elettroniche (Electronic Communications Code) D. Lgs n. 259/2003;

(iv) art. 32 bis of the Consolidated Law of Audiovisual Media and Radio Services (Testo Unico dei servizi di media audiovisivi e radiofonici).

The definitions contained in the Consolidated Law explain the scope of the Regulatory powers of the Authority in compliance with art. 32-bis, with reference both to linear and non linear services. The law allows the exclusion from such powers only of services that cannot be deemed to be in competition with broadcasting services.

Due to the strong resistances of Internet providers and Telco companies, the enactment of the regulation was postponed in order to have the parliamentary clarification of the scope and powers of the Authority.

Case Law

Copyright protection of Design

The European Directive 98/71/EC required a legislative revision of a substantial part of the law on industrial property, which was realized through the enactment of the new Code of Industrial Property (Legislative Decree of February 10, 2005, n. 30).

The legislative amendments related to copyright on industrial designs have shown substantial uncertainties as to the balance between the protection of design and the safeguard of the exploitation realized or started before the implementation of the European Directive. The compromise was searched through amendments to the Copyright Law that initially limited to 25 years p.m.a. the duration of design copyright protection².

Under pressure by the European Commission, the duration of design copyright protection was finally brought into line with the rule for other works by Decree Law of February 15, 2007, n.10, which was converted into Law of April 6, 2007, n. 46.

Legislative Decree of February 10, 2005, n. 30, the Industrial Property Code, incorporated a transitional provision, which allowed for 10 years the production of designs protected by copyright. This transitional rule concerned the copyright protection of designs that were in the public domain before the implementation and was submitted for preliminary ruling to the European Court of Justice by the Tribunal

² Legislative Decree n. 95/2001 was modified by Legislative Decree of April 12, 2001, n. 164. Law 273/2002.

of Milan (Judgement of January 27, 2011, Case C-168/09, Flos SpA v Semeraro Casa e Famiglia SpA). The Court considered the 10-year moratorium as not compatible with Article 17 of Directive 98/71/EC; the same verdict stated the non-compliance of Decree Law of February 15, 2007, n.10. The Decree cancelled the 10-year moratorium but, at the same time, rendered copyright protection unenforceable for design works in public domain before the implementation in Italy of the Directive. These complicated and doubtful rules were at the origin of the decision of June 21, 2012 of the ECJ in case C-5/11, where the German rightowner opposed the delivery to German clients of design furniture manufactured in Italy, although such furniture (thanks to the mentioned provisions) was legally put into commerce in a member country. The ECJ ruling stated that “Articles 34 TFEU and 36 TFEU must be interpreted as meaning that they do not preclude a Member State from bringing a prosecution under national criminal law for the offence of aiding and abetting the prohibited distribution of copyright-protected works where such works are distributed to the public on the territory of that Member State in the context of a sale, aimed specifically at the public of that State, concluded in another Member State where those works are not protected by copyright or the protection conferred on them is not enforceable as against third parties”.

Finally, this provision was replaced by Legislative Decree of August 13, 2010, n. 131, by a new rule that granted protection to design works in the public domain before 2001, but stated that manufacturers who had initiated their productions before April 19, 2001 were allowed to continue this activity only within the limits of their prior use.

Private copying remuneration

Ministerial Decree December 30, 2009 replaced the provisional determination of the remuneration fees for private copying contained in art. 39 of Legislative Decree n. 68/2008 (implementation of the European Directive on copyright and related rights in the Information Society).

Eight claims presented by the plaintiffs asked for the cancellation of the Ministerial Decree and all were rejected in the decisions issued by the Administrative Tribunal of Lazio (TAR) on March 2, 2012.

One claim stated that the Decree infringed Article 23 of the Constitution because the amount of the remuneration, being an “imposed levy” and must therefore be established by a law and not by a mere ministerial regulation. Such claim was rejected on the ground that, according the Constitution, the amount is established “on the basis of the law”, not necessarily “by the Law” and Article 71-septies, par. 2, of the Italian Copyright Law contains a reference to a ministerial provision, while indicating the criteria to determine its content and the proceeding for its adoption.

Two claims concerned the application of the remuneration to multifunctional devices such as mobile phones and PCs, usable for the reproduction of phonograms or videograms, though not being expressly manufactured for this purpose. The two claims were rejected on the ground that neither the definition of multifunctional device nor the amount of the levy contained in the Ministerial Decree conflicts with the provision of Article 71-septies of the Law, provided that it is proportional to the secondary recording function³. The TAR’s decision recalls the decision of the European Court of Justice in the Padawan Case⁴, where it clarifies that it is to be assumed that natural persons benefit from all the functions allowed by the

³ The amount of the remuneration on mobile phones (0.90 euros) is deemed equitable because it is equivalent to the usual price of a download of a single track.

⁴ European Court of Justice, decision of December 7, 2006, Case C-306/05, SGAE, Racc. P. I-11519, pr. 43 and 44.

device, including the recording functions. The mere ability of such devices to make copies is sufficient, therefore, to justify the private copy remuneration. According to the interpretation of Recital 35 of the Information Society Directive 2001/29/EC by the European Court, the criterion to apply is the “possible harm”, not the actual one. The TAR refers to the Padawan decision also for the concept of “minimal prejudice” and states, though indirectly, that only a single private use, individually considered, could qualify as “minimal prejudice”, which is not the case when the phenomenon is widespread or repeated and there are multiple private uses (para. 46).

The claims concerning the concept of “importer” were rejected on the ground that the importer – as a person acting on a commercial basis – is intended to be the addressee in Italy of the device or media. In the case of a commercial business operated by residents abroad towards an end user in Italy, the “importer” is the seller or the person who offers the products to the public. This concept is consistent with the Judgment of the Court of Justice in the case C-462/09 of June 16, 2011⁵ (par. 39), where it is stated that the national legislation identifies the person responsible for the payment in order to guarantee “the recovery of that compensation from the seller who contributed to the importation of those media by making them available to the final users”.

TAR rejected the claim that the Decree conflicted with the European legislation and the request to submit the issues to the European Court of Justice on the ground that the Padawan decision was clear on the issues disputed in the case.

The TAR’s decisions have been appealed to the *Consiglio di Stato*.

Activity of the Italian Group of ALAI

As usual since 2003, the Italian Group of ALAI held two meetings per year, one in Rome and one in Milan, debating topics of particular interest in the field of copyright.

In 2010 and 2011, the meetings concerned: “Copyright exceptions for research, study and in the digital age: what is changing”; “Synchronization rights between case law and legislation”; “ECJ decision in the Scarlet-Sabam case: much ado about nothing?”. In 2012, the meeting concerned “Copyright enforcement in the Cloud environment”.

All the reports presented as introduction to the debates were published in *Rivista del diritto d’autore* e can be found in www.rivistadirittodiautore.siae.it/RivistaDA_Alai.asp.

⁵ Judgment of the European Court of Justice, June 16, 2011, Case C-462/09, *Stichting de ThuisKopie v Opus Supplies Deutschland GmbH and Others*.