

PRESS RELEASE No 52/24

Luxembourg, 21 March 2024

Judgment of the Court in Case C-10/22 | LEA

Italian legislation under which independent companies established in another Member State are excluded from copyright management is incompatible with EU law

The legislation constitutes a restriction on the freedom to provide services that is neither justified nor proportionate

LEA is a collective management organisation that is governed by Italian law and authorised to operate in the field of copyright intermediation in Italy. Jamendo, a company incorporated under Luxembourg law, is an independent copyright management entity which has been operating in Italy since 2004. LEA applied to the Rome District Court for an order requiring Jamendo to cease its copyright intermediation activity in Italy. According to Italian legislation, that activity is reserved exclusively to the Italian society of authors and publishers and to the other collective management organisations listed, such as LEA, whereas independent management entities are excluded from that field.

The Rome District Court asked the Court of Justice whether the directive on collective management of copyright ¹ precludes legislation of a Member State which generally and absolutely excludes the possibility of independent management entities established in another Member State providing their services in that first Member State.

In its judgment, the Court replies that, in so far as the national legislation at issue does not allow independent management entities established in another Member State to provide their copyright management services in Italy, it constitutes a restriction on the freedom to provide services. Although that restriction may in principle be justified by the overriding objective of protecting intellectual property rights, it is not proportionate, as it generally and absolutely precludes any independent management entity established in another Member State from carrying out its activity in the market concerned. The Court points out that measures that are less restrictive of the freedom to provide services might enable the objective to be attained.

Consequently, the Court finds that the Italian legislation at issue is not compatible with EU law.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The <u>full text and, as the case may be, an abstract</u> of the judgment are published on the CURIA website on the day of delivery.

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Pictures of the delivery of the judgment are available from "Europe by Satellite" ⊘ (+32) 2 2964106.



¹ <u>Directive 2014/26/EU</u> of the European Parliament and of the Council of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market.