*Market and Competition Law Review* / VOLUME IV / No. 1 / APRIL 2020

# Private Enforcement and Legal Privilege Versus Convergency*

*Valeria Falce***

ABSTRACT: Directive 2014/104/EU has also been implemented in Italy, thus reinforcing the effectiveness of competition law at national level, too. Through a "two point" system, public and private enforcement qualify today for complementary means towards the same end.
Within such binary system, different issues and topics have been addressed by the academic community: from the binding nature of competition authorities' decisions to the introduction of the powerful system of assumptions, to the alleviation of the burden of allegation, to the "passing on" rules, to the new role given to competition authorities in general, etc. Yet, the provision devoted to the legal privilege covering the attorney-client communications has been almost neglected. In this article, the legal privilege will be analysed in depth, since, thanks to the implementing provision, it will be able to acquire a renewed relevance in Italy in terms of both legal framework and scope of application.

KEYWORDS: Directive 2014/104/EU, Legislative Decree 3/2017, Private enforcement, Legal Privilege, Attorney-client communications.

---

* Date of reception: 18 February 2020. Data of acceptance: 20 February 2020.
DOI: https://doi.org/10.34632/mclawreview.2020.7478.
** Valeria Falce (Valeria.Falce@unier.it) is Jean Monnet Professor in EU Innovation Policy and Full Professor of Law, European University of Rome.

## *1. Introduction*

Legislative Decree 3/2017[1], finally transposing Directive 2014/104/EU, concludes a tortuous path aimed at strengthening the effectiveness of competition law in Italy through a "two point" system in which public and private enforcement represent complementary means that share the same purpose[2].

The ultimate objective of the Directive is clearly outlined: to guarantee the *effet utile* of articles 101 and 102 TFEU, allowing anyone, including consumers, businesses and public entities, to request compensation for damages suffered following an antitrust violation[3] before national judges.

In order to do so, it has been necessary to define a system consistent with the European tradition regarding civil responsibility, where compensation damages are finalised at eminently reparatory functions and the burden of proof is laid on the damaged party.

The policy and legal choices undertaken are, however, not so straightforward. While some solutions lean towards the sign of novelty (from the binding nature of the decisions ascertaining a violation, to the introduction of the powerful system of assumptions, to the alleviation of the burden of allegations, to the "passing on" rules, and further, to the new role given to competition authorities, and the provisions regarding ordinance matters)[4], others, the provision on legal privilege included, hinge towards

---

[1] Legislative Decree of 19 January 2017, no. 3, GU no. 15, 19-01-2017.

[2] For an analysis, *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI. *Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?*, no. 2 (2017), ed. Valeria Falce, Federico Ghezi and Gustavo Olivieri.

[3] See Recital 3 of the European Parliament and of Council Directive 2014/104/EU, of November 26th 2013.

[4] Andrea Pezzoli and Gianluca Sepe, "'Public' e 'private enforcement': c'è danno e danno", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017); Philipp Fabbio, "Note sull'efficacia nel giudizio civile delle decisioni delle autorità della concorrenza nazionali dopo il 'Decreto enforcement' (d.lgs. 19 gennaio 2017, no. 3)", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017); Gabriella Muscolo, "La prova nelle azioni di risarcimento dei danni antitrust", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017); Marco Saverio Spolidoro and Teresa F.F. Spolidoro, "Profitto illecito e risarcimento del danno antitrust", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017); Gaetano Presti, "Spunti generali dal microsistema della solidarietà nella disciplina del danno da concorrenza", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017); Marco Francesco Campagna, "La responsabilità solidale incalcolabile dell'illecito antitrust", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o*

the sign of strict continuity with the *acquis communitaire*[5]. Moving from such assumption, in the following, the European and national provisions on the legal privilege will be analysed with the aim to verify whether the Italian transposition opens the door to a broader domain and scope of application on such matter.

## *2. The rise and codification of legal privilege*

In order to protect and guarantee legal privilege, the Directive provides a specific rule.

Article 5, paragraph 6, leaves Member States free to give full effect to applicable legal professional privilege under Union or national law when ordering the disclosure of evidence.

The *littera* of Article 5, rather than advancing full convergence among Member States, opts for a policy choice renewing the Community *acquis* and confirming national principles.

Such solution could appear a sign of weakness. Though this is not the case, considering that legal privilege as such has not yet been considered worth of a Community position[6]. Through a two-phase process, the Court of Justice instead was in charge of advancing a common culture[7].

---

*centomila?* XVI, no. 2 (2017); Nicola Infante, "'Leniency' e diritto di accesso: un difficile contemperamento di interessi", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017); Enrico Fabrizi, "I 'litigation founders' e le azioni di risarcimento del danno da illecito antitrust", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017).

[5] For an overview, Valeria Falce, "Riservatezza delle comunicazioni e 'Legal Privilege' tra regolazione europea e recepimento nazionale", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no.2 (2017): 469.

[6] At International level too, legal privilege was not worth of specific attention until a very recent *revirement*: "Working Party No. 3 on Co-operation and Enforcement: Executive Summary of the roundtable on the treatment of legally privileged information in competition proceedings, Annex to the Summary Record of the 128th meeting of Working Party No 3. on Co-operation and Enforcement, 26 November 2018", *OECD*, 2018. https://one.oecd.org/document/DAF/COMP/WP3/M(2018)2/ANN2/FINAL/en/pdf.

[7] On the foundations, Eric Gippini-Fournier, "Legal professional privilege in competition proceedings before the European Commission: Beyond the cursory glance", in *Annual Proceedings of the Fordham Corporate Law Institute – International Antitrust Law and Policy*, ed. Barry E. Hawk (USA: Juris Publishing, 2005), 587. On a framing, Christine E. Parker, Robert E. Rosen and Vibeke L. Nielsen, "The two faces of lawyers: Professional ethics and business compliance with regulation", *Georgetown Journal of Legal Ethics* 22 (2009): 201.

Initially, it identified the "heart" of the notion of legal privilege and elevated it to a principle of law through a process of "bottom-up integration"[8] in which its lawfulness derived from the common norms and principles and constitutional legal traditions of the Member States[9].

A fundamental stage of this process is the sentence of *Transocean Marine Paint* in 1974[10], where the Court of Justice recognised, after having examined the fundamental legal traditions of each Member State, that "the right to a fair hearing falls within the rights pursuant to article 164 of the Treaty and which the Court must guarantee its obedience".

Subsequent jurisprudence was moulded on such notion, recognising the full citizenship of the principle of legal privilege in the community law[11] and immediately linking the principle of legal privilege to the right of defence (in the forms and outlines further discussed)[12].

---

[8] See M.J. Frese, "The development of general principles for EU competition law enforcement – the protection of legal professional privilege", *European Competition Law Review* 32, no. 4 (2011): 198-202.

[9] The "creeping legal integration" mechanism has enabled the European courts to recognise a number of 'unwritten' legal principles on the basis of Article 19 TEU, which, in ensuring that the law is respected in the interpretation and application of the Treaties, allows the Courts of the Union to take account of principles not expressly enshrined in the Treaties themselves but commonly recognised in the national legal systems of the Member States [*Internationale Handelsgesellschaft* (See Judgment of 17 December 1970, *Internationale Handelsgesellschaft Mbh v. Einfuhrund Vorratsstelle fur Getreide und Futtermittel*, C-11/70, EU:C:1970:114) and *Nold (*See Judgment of 14 May 1974, *Nold, Kohlen-Und Baustoffgrosshandlung v. Commission of the European* Communities, C-4/73, EU:C:1974:51)].

[10] See Judgment of 23 October 1974, *Transocean Marine Paint Association v. Commission of the European Communities*, C-17/74, EU:C:1974:106.

[11] According to European judges, in fact, "However, it is clear to the domestic legal systems of the Member States that there are common criteria, inasmuch as those legal systems protect, under similar conditions, the confidentiality of correspondence between lawyer and client, [...] In those circumstances, Regulation No. 17/62 must be interpreted as meaning that it also protects the confidentiality of correspondence between lawyer and client under those conditions, thereby transposing the constituent elements of that protection common to the rights of the Member States". This approach has been widely shared by the case law of the EDU Court itself: see *Jussila v. Finland* (2006) Application no. 73053/01, in which the Court has come to recognize the scope of application of Article 6 ECHR also in antitrust proceedings; see *Nella causa A. Menarini Diagnostics S.R.L. v. Italia* (2011), Application no. 43509/08, in which the Court recognised the compatibility of a national antitrust procedure with the Convention pursuant to art. 6, provided, of course, that the person concerned has the possibility of challenging any decision taken against him before a competent court.

[12] Thus in the recent European Commission, *Communication on the protection of confidential information for the private enforcement of EU competition law by national courts*, July, 2019 (https://ec.europa.eu/competition/consultations/2019_private_enforcement/en.pdf), the European Commission makes it clear that nothing in this Communication should be interpreted as allow-

### *3. Areas and limits*

In particular, under Community law, the "correspondence exchanged in the interest of the right to a defence of the client" shall be protected in so far it has anchored the benefit of legal privilege to the communications between businesses and the appointed lawyers[13] commencing from the moment in which the antitrust trial has begun, to then include that which preceded it should it present connecting elements to the subject of the trial, broadening to internal notes (which merely reproduce legal communications and judgments coming from the lawyer[14]), to also

---

ing the disclosure of evidence protected under the legal professional privilege, i.e., the principle of confidentiality of communications between a legal representative and their client (Article 5(6) of the Damages Directive; see also, Judgment of 18 May 1982, *AM & S Europe v. Commission of the European Communities*, Case 155/79, EU:C:1982:157, and Judgment of 14 September 2010, *Akzo Nobel Chemicals and Akcros Chemicals v. European Commission*, C-550/07-P, EU:C:2010:512).

[13] The first step in this jurisprudential process is the ruling of the Court of Justice *AM & S* of 1982 (Judgment of 18 May 1982, *AM & S Europe v. Commission of the European Communities*, Case 155/79, EU:C:1982:157), in which the judges set the benchmarks in so far as they considered that (paragraph 21) "Apart from these differences, however, there are to be found in the national laws of the member states common criteria inasmuch as those laws protect, in similar circumstances, the confidentiality of written communications between lawyer and client provided that, on the one hand, such communications are made for the purposes and in the interests of the client's rights of defence and, on the other hand, they emanate from independent lawyers, that is to say , lawyers who are not bound to the client by a relationship of employment". By that route, the Court has come to the conclusion that the protection covers all correspondence exchanged between an undertaking and a lawyer since the opening of the proceedings, as well as earlier correspondence which is connected with the subject-matter of the proceedings and which has been received or sent by independent lawyers qualified to practice in one of the Member States. This approach was subsequently reaffirmed by the Court of First Instance of the European Union in the Hilti order of 1990 (Order of 4 April 1990, *Hilti Aktiengesellschaft v. Commission of the European Communities*, T-30/89, EU:T:1990:27), according to which (paragraph 13) "Regulation No 17 of the Council of 6 February 1962, First Regulation implementing Articles 85 and 86 of the Treaty (OJ 1962 13, p. 204), must be interpreted as protecting the confidentiality of correspondence between lawyer and client provided, first, that it is correspondence exchanged within the framework and in the interests of the client's right of defence and, second, that it comes from independent lawyers, that is to say, lawyers who are not bound to the client by an employment relationship".

[14] In the Hilti case (Order of 4 April 1990, *Hilti Aktiengesellschaft v. Commission of the European Communities*, T-30/89, EU:T:1990:27), the Judge specified at paragraph 18 "In this case it appears that that legal advice was reported on in internal notes distributed within the undertaking so that it might be the subject of consideration by managerial staff. In such a case, and although the aforesaid legal advice was not received by way of correspondence, it must be held that the principle of the protection of written communications between lawyer and client may not be frustrated on the sole ground that the content of those communications and of that legal advice was reported in documents internal to the undertaking Thus the principle of the protection of written communications between lawyer and client must, in view of its purpose, be regarded as extending also to the internal notes which are confined to reporting the text or the content of those communications It

include the preparatory documents edited exclusively in order to request a legal opinion[15].

By contrast, the same case-law has ruled out that the protection of privilege extends to the facts which are the subject matter of communications between lawyer and client, which can therefore be used as evidence and may be relied on against the person subject to the proceedings if they have become known in another way.

As for the persons to whom the privilege applies, the Community Courts have adhered to a restrictive stance, limiting the reach of action to correspondence with the externally hired lawyer which in this capacity participates in the administrations of justice, but not to that with the internal lawyer (so called *in-house lawyer*). This is because, according to established guidelines, 1) the exchange would not take place to the benefit of the right of defence of the client, but rather on the basis on an employment relationship; 2) being subject to ethical rules does not preclude the risk of conflicts of interest and would not ensure full "independence" with respect to the company.

In short, it would not be sufficient for a lawyer to be enrolled in a professional register, and thus subject to relative constraints and sanctions in order to guarantee his independence. The independence and

---

follows that the request for confidential treatment made by the applicant must be allowed in so far as it refers to those documents".

[15] See Judgment of 17 September 2007, *Akzo Nobel Chemicals Ltd and Akcros Chemicals Ltd v. Commission of the European Communities*, T- 125/2003 e T- 253/2003, T:2007:287, paragraphs 122 and 123, in which it was specified that "a person may be able effectively to consult a lawyer without constraint, and so that the latter may effectively perform his role as collaborating in the administration of justice by the courts and providing legal assistance for the purpose of the effective exercise of the rights of the defence, it may be necessary, in certain circumstances, for the client to prepare working documents or summaries, in particular as a means of gathering information which will be useful, or essential, to that lawyer for an understanding of the context, nature and scope of the facts for which his assistance is sought. Preparation of such documents may be particularly necessary in matters involving a large amount of complex information, as is often the case with procedures imposing penalties for breaches of Articles 81 EC and 82 EC. In those circumstances, the Court holds that the fact that the Commission reads such documents during an investigation may well prejudice the rights of the defence of the undertaking under investigation and the public interest in ensuring that every client is able to consult his lawyer without constraint.

Accordingly, the Court concludes that such preparatory documents, even if they were not exchanged with a lawyer or were not created for the purpose of being sent physically to a lawyer, may none the less be covered by LPP, provided that they were drawn up exclusively for the purpose of seeking legal advice from a lawyer in exercise of the rights of the defence. On the other hand, the mere fact that a document has been discussed with a lawyer is not sufficient to give it such protection.".

impartiality of the judgment could, in fact, be compromised by the existence of a "connection"[16], by a type of employment relationship, or by the continuous and stable remuneration connected to it[17].

Privilege works within these limits, which, as was reiterated in the case of *Akzo Nobel* in 2007 and in the Communication of the Commission on best practices in proceedings under articles 101 and 102 of the TFEU, consists, on the one hand, in the prohibition for the lawyer to reveal the content of protected communication and, on the other, for the legal and administrative authorities to acquire or use such information without the consent of the subject undergoing trial – becoming therefore, eligible for inadmissibility[18].

---

[16] At paragraph 21 of the Judgment of 18 May 1982, *AM & S Europe v. Commission of the European Communities*, Case 155/79, EU:C:1982:157: "Apart from these differences, however, there are to be found in the national laws of the member states common criteria inasmuch as those laws protect, in similar circumstances, the confidentiality of written communications between lawyer and client provided that, on the one hand, such communications are made for the purposes and in the interests of the client's rights of defence and, on the other hand, they emanate from independent lawyers, that is to say, lawyers who are not bound to the client by a relationship of employment."

[17] At paragraph 24 of the Judgment of 18 May 1982, *AM & S Europe v. Commission of the European Communities*, Case 155/79, EU:C:1982:157: "As regards the second condition, it should be stated that the requirement as to the position and status as an independent lawyer, which must be fulfilled by the legal adviser from whom the written communications which may be protected emanate, is based on a conception of the lawyer's role as collaborating in the administration of justice by the courts and as being required to provide, in full independence, and in the overriding interests of that cause, such legal assistance as the client needs. The counterpart of that protection lies in the rules of professional ethics and discipline which are laid down and enforced in the general interest by institutions endowed with the requisite powers for that purpose. Such a conception reflects the legal traditions common to the member states and is also to be found in legal order of the community, as is demonstrated by article 17 of the Protocols on the Statutes of the Court of Justice of the EEC and the EAEC, and also by article 20 of the Protocol on the Statute of the Court of Justice of the ECSC".

[18] With the aim, on the one hand, of codifying the solutions adopted by the practice when applying the rules set out in Articles 101 and 102 TFEU, and, on the other hand, of innovating operational practices in antitrust matters in an attempt to strengthen the guarantees deriving from the principle of defence of the parties subject to the investigation procedure, the Commission considered to extend the protection of the privilege to the inspection phase, excluding the possibility of acquiring and using communications between the client and the lawyer which are covered by professional secrecy as they relate to the right of defence. Therefore, the undertaking subject to inspection is entitled to claim protection of the LP, being able to provide the Commission with all appropriate and relevant justification in this respect. If the Commission considers that such evidence is not sufficient or has been refused by the undertaking subject to the inspection, it may order the production of the document and, if necessary, impose penalties or periodic penalty payments for delay or denial of production. As a general rule, recognition of the confidential nature of the communications between lawyer and client in the course of the inspection procedure takes

Now, faced with the uncertain language used within article 5 ("full guarantee", "privacy" and "communication between lawyer and client"), it is clear that the regulation does not intend to recognise the benefit of total or partial confidential treatment, thus the total or partial inaccessibility of it to third parties. Rather, it is intended to sanction the inadmissibility in proceedings, with the consequence that, if the correspondence is produced, it must be returned and may not be viewed or otherwise used.

In other words, the privacy referred to in article 5, paragraph 6, is diverse from the privacy intended by other regulations which, instead, exclude third party access to trade or industry secrets, commercial know-how, and all other business or sensitive information whose disclosure would most likely produce significant economic damages.[19]

On the national front, instead, specific distinctive elements remain, which, as mentioned previously, the Directive hastens to recognise and protect. In fact, depending on the system of reference, the notion of legal privilege tends to be allowed to enter into the more ample and broad area of right to privacy and confidentiality, now within the scope of the right of defence as a corollary of the right to be heard intended to be an expression of the principle of fair trial[20]. In particular:

1. The first reconstructive hypothesis rests on a so-called "internal" foundation, relating to the right of each person to maintain a space

---

place against what are the extrinsic characteristics of the document. However, it may happen that the company may refuse to allow the inspectors to examine the extrinsic features of the document. This can only be the case if the company justifies its refusal on the basis of appropriate reasons why it would be impossible to consider that, despite a rough examination, the content of the document cannot be detected. Indeed, if, during the course of the investigation, DG Competition considers that the material submitted by the undertaking is not capable of demonstrating that the documentation in question is protected by the LP because the undertaking refused to subject it to a rough examination of the extrinsic elements, officials may still extract a copy and keep it in a sealed envelope with a view to a subsequent settlement of the dispute. On the other hand, in cases where the company has claimed protection of confidentiality and has provided valid reasons to substantiate its claims, the Commission will not proceed with the reading of the contents of the documentation before it has adopted a rejection decision on the matter, which can also be challenged by the company concerned: See John Temple Lang, "The strengths and weakness of the DG Competition Manual of Procedure", *The Journal of Antitrust Enforcement* 1, no. 1 (2013).

[19] In the light of this, the rule renews for tabulas a principle acquired in Community law, i.e. guaranteeing the benefit of secrecy to industrial and commercial secrets, on the one hand, and that of restitution to communications between lawyer and client on the other.

[20] See Giuseppe Morgese, "La tutela del *legale privilege* nel diritto comunitario della concorrenza", *Studi sull'integrazione europea* III, no. 2 (2008): 317.

of personal freedom, protected from harassment by public authorities, in order to express their own personality. This reconstruction is completed by the "external" foundation, aimed at protecting the rights of the individual to create and develop social relationships with other individuals. Thus declined, Legal Privilege becomes a part of the broader right to privacy because of the guarantees[21] and specific protective tools[22] put forth to maintain the fiduciary relationship between a client and his lawyer away from arbitrary forms of harassment by the public authorities[23].

2. According to the second line of inquiry, the guarantee of legal privilege is rather a corollary of the principle of the right of defence[24] and to a fair trial (on such point see the sentence of November 28, 1991 *S. v. Switzerland*[25], *Niemietz v. Germany*) and, as such, is connected to the more general right of every individual against self-incrimination

---

[21] In particular with *Niemietz v. Germany* (1992), Application no. 13710/88, and *Petri Sallinen and Others v. Finland* (2005), Application no. 50882/99, the Court stated that respect for private life also includes the right of the individual to maintain and develop social relationships with others. In these terms, the European courts have stated that interpreting concepts of "private life" and "domicile", including premises or professional activities, serve the essential purpose pursuant art. 8 ECHR, i.e. to safeguard the individual from arbitrary interference by public authorities.

[22] See Marco Stramaglia, "Il sequestro di documenti informatici: quale tutela per il segreto professionale forense?", *Il Diritto dell'Informazione e dell'Informatica* 24, no. 6 (2008): 831-847. See also the EDU Court, *Andrè and Another v. France* (2008), Application no. 18603/03, in which the areas and limits within which it can be considered necessary and legitimate the interference of this right by the public authorities, pursuant to art. 8, par. 2, ECHR, without violating the professional secrecy, affirming that in the hypothesis of searches and home visits to law offices, the internal systems must imperatively guarantee specific instruments of protection.

[23] See *Wieser and Bicos Beteiligungen GMBH v. Austria* (2008), Application no. 74336/01, in which the Court found that the search of a computer and the seizure of documents at a law firm constitute an infringement of Article 7(1) of the EC Treaty. 8 ECHR if in the analysis of the digital pleadings the appropriate guarantees to ensure effective and concrete protection of professional secrecy are not respected (in the present case, the transactions had been carried out without the representative of the Forensic Council exercising effective control, the seizure report had not been drawn up at the end of the transactions and the person concerned had not been given timely information about the seized computer documents).

[24] See Morgese, "La tutela", 318. From this point of view, the reconduction of the *legal privilege* in the bedrock of the right to privacy would not be correct, implying the overlapping and confusion of two cases - that of the protection of the lawyer-client communications and that of the protection of the confidentiality of communications in general - which, for presuppositions, fields of application and purposes appear different.

[25] See *S. v. Switzerland* (1991), Application no. 12629/87; 13965/88.

(see the sentence of *Heaney and McGuiness v. Ireland*[26]; and the sentence of *Saunders v. United Kingdom*[27]).

Now, the implications connected to this double reconstruction are far from negligible. First of all, because where legal privilege is ascribed to the right to broader privacy, the functional orientation of a correspondence that is specifically intended for the exercise of the right of defence is lost, and then, according to a certain interpretation of jurisprudence, the connection to the autonomy and independence and the third party nature of the lawyer, which constitutes – as I will shall soon mention – one of the pillars around which the reasoning followed by the Court of Justice regarding the notion of legal privilege revolves (*Bicos Beteiligungen GMBH v. Austria*, *Foxley v. United Kingdom*[28], *Andrè and others v. France*).

Restricting ourselves to a few examples, in certain jurisdictions, such as Italy, the benefit of legal privilege is covered under the right to a defence[29] and conforms to the Community model with the consequence that, due to the relationship of subordination, communications with in-house lawyers remain outside the range of its coverage. Although it was recommended by the European Parliament as early as 1962, during the preparatory work of Law 17/62 regarding control of operations of concentration between companies: "protection of the professional privilege without differentiating between company lawyers and lawyers in private practice"[30], pursuant to article 3 of the professional forensic law[31], the dependent relationship qualifies as a cause of incompatibility with respect to membership in a professional association of lawyers, with the consequence that, even when

---

[26] See *Heaney and McGuinness v. Ireland* (2000), Application no. 34720/97.

[27] See *Saunders v. United Kingdom* (1996), Application no. 19187/91.

[28] See *Foxley v. The United Kingdom* (2000), Application no. 33274/96.

[29] The protection of the confidentiality of communications between lawyer-client is confirmed by certain regulatory provisions, mainly penalistic, which, on the one hand, recognize forms of protection against disclosure obligations and the acquisition of information relevant to the formation of evidence during a legal proceeding (see p.e. art. 199 and 200 of the Italian Code of Penal Procedure), and, on the other hand, express the prohibition to access and use evidence (unless it constitutes the body of the crime) relating to conversations or communications between the person subject to the proceedings and his lawyer (see art. 103 of the Italian Code of Penal Procedure).

[30] The reference is clearly to Regulation No 17/62, the first regulation issued by the Council in implementation of art. 85 and 86 (now art. 81 and 82) of the EEC Treaty in the field of competition, in OJ No. 13 on February 21st 1962, p. 204/62.

[31] See article 3, paragraph 4, letter b) of R.d.l. no. 1578 on November 27th 1933, converted into Law no. 36 on January 22nd 1934.

authorised to practice law, in-house lawyers are not entitled to register with a professional association of lawyers (if registered, they must cancel membership) and are thus free from any obligation of privacy in the strictest sense[32].

In other States, such as in France, there is a broader cone of shade from the point of view of the individual, so much that in-house lawyer communications, since they are registered in the professional association of lawyers, are protected as professional secrets and bound by professional secrecy, and in this way independence and impartiality are ensured.

Even from an objective point of view, the disparities are profound. In some jurisdictions, such as in Italy, the alignment with the Community model is such that all correspondence with outside counsel that is functionally linked to an ongoing proceeding is excluded from the file[33] relating to antitrust proceedings. In others, however, such as common law countries, the dilation that we find is from a functional perspective, in the sense that documents and materials requested by the lawyer about anyone in function or even solemnly in the hypothesis of a trial occurring are treated confidentially[34].

---

[32] Moreover, the A.I.G.I. code of conduct (see article 6 A.I.G.I. Code of Conduct available at www.aigi.it), states that "the business lawyer is bound to professional secrecy and must treat all the information he/she comes into possession by reason of his/hers profession as strictly confidential, even after the employment relationship has ended", 72. It goes without saying that business lawyers have, above all, the duties of confidentiality established by the type of employment relationship that binds them to the company to which they belong. Extensively on such matter, see Ermanno Cappa, "La figura del giurista d'impresa", in "Le professioni intellettuali tra decoro e mercato", *Analisi giuridica dell'economia, Le professioni intellettuali tra decoro e mercato* IV, no. 1 (2005).

[33] On the other hand, according to article 622 of the Italian Penal Code: "Whoever, having knowledge, for reasons of his state, office, profession, art, or secret, takes it over, without just cause, or uses it for his own or others profit, shall be punished, if the act may result in harm, with imprisonment of up to one year or a fine ranging from 30 to 516 euros". On professional secrecy and abstention, see, Domenico Borghesi, "Il segreto nella professione legale", *Rassegna Forense* 3 (2008): 354 ss.

[34] The OECD (see footnote no. 6) has recently confirmed that "The recognition of legal privilege depends on each jurisdiction's legal culture and history. It involves a trade-off between two public policy objectives: on the one hand, the public interest in the effectiveness of antitrust investigations and decisions, and, on the other, the parties' rights of defence, legal representation and unconstrained access to legal advice". For an European overview, see Wouter P. J. Wils, "Legal professional privilege in EU antitrust enforcement: Law, policy & procedure", *World Competition: Law and Economics Review* 42, no. 1 (2019): 21-42, also in King's College London Law School Research Paper No. 19-9. https://ssrn.com/abstract=3281576; Wouter P. J. Wils, "EU antitrust enforcement powers and procedural rights and guarantees: The interplay between EU law, national law, the Charter of Fundamental Rights of the EU and the European Convention on Human Rights",

Broadening the analysis to OECD countries, it has been recently confirmed that at international level 34 OECD Members recognise legal professional privilege in law enforcement and protect confidential communications between clients and their legal advisors from forced disclosure. In a 2018 Roundtable, it emerged that "the privilege can be asserted against public authorities, third parties and courts, in order to oppose access to documents, as well as challenge actions and decisions that have relied on information that should have been privileged. In competition law enforcement, questions of privilege and protection of privileged information from disclosure may arise during investigations by competition authorities as well as in competition litigation"[35]. As far as in-house counsels are concerned, 19 OECD countries extend the legally privileged protection to communications between clients and their in-house lawyers.

### *4. Continuity and novelty in regard to the acquis communitaire*

From the foregoing it would seem possible to conclude that the Directive does not introduce any novelty with respect to the evolutionary lines of case-law, limiting itself on the one hand to codifying a principle that has already been confirmed and, on the other, to preserve the *quid proprium* of national legislation, always in the wake of Community case-law.

However, a more careful reading of the provision and, especially, its systematic framing warrants a more cautious and certainly more problematic attitude.

First, the English version of article 5, paragraph 6, does not refer correspondence with the lawyer, nor does it evoke the characteristics of privacy, but requires at full effect the protection of applicable legal professional privilege, which broadens the scope of application to other individuals and further documentation. Even more multifaceted is the French version of the same provision, which makes no reference to the rules of legal privilege, nor to the guarantee of a confidentiality regime.

Rather, it invokes the need to ensure the useful effect of the protection of professional secrecy, which is a different and broader concept than that of

---

World Competition: Law and Economics Review 34, no. 2 (2017), also in Concurrences, May 2011, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1759209.

[35] Working Party No. 3 on Co-operation and Enforcement: Executive Summary of the roundtable on the treatment of legally privileged information in competition proceedings, Annex to the Summary Record of the 128th meeting of Working Party No 3. on Co-operation and Enforcement, 26 November 2018".

lawyer-client communication both from a subjective perspective and from the point of view of status, thus, the position of dependence or independence of the subject called upon to an obligation of professional secrecy.

In short, different institutions and different degrees of protection are activated depending on the chosen language of translation[36].

### *5. Looking for convergency*

Whereas community law prevails, in Italy legal privilege in intellectual property[37] has modelled the one in competition law[38].

In this context, we are witnessing, from a substantive point of view, the expansion of authorised persons to exercise the right of defence, the recognition of an obligation of professional secrecy towards them, and the consequent benefit of the confidential treatment of the relative correspondence[39]; from a procedural point of view, instead, we are witnessing a refinement of the analysis of the relationship between the protection of confidential information and the discipline of professional secrecy[40].

---

[36] For a more detailed comparison, Falce, "Riservatezza", 469.

[37] In countries other than Italy, there are interesting stimuli where the European Patent Convention in the version that came into force in 2007 and the 2013 Agreement on the Unified Patent Court, together with its procedural rules, extend the obligation of professional secrecy to representatives.

[38] For a more specific analysis, Falce, "Riservatezza", 469.

[39] The reference is clearly destined to the agents enrolled with the Order of Qualified Consultants and the Register of Qualified Industrial Property Consultants, pursuant to art. 2012 of the Industrial Property Code, that are subject to an obligation of professional secrecy pursuant to art. 206 CPI (Italian code of intellectual property).

[40] On such matter, the Court of Milan on March 17th 2014, specialized Business Division, with note by Giacinto Parisi, "Brevi note sulla tutela delle informazioni riservate nell'ambito del procedimento di descrizione", Ill Diritto d'Autore 85, no. 4 (2014): 472; on the same note, Court of Milan, November 28th 2008, Les Laboratoires Servier S.A. v. Doc Generici s.r.l., in Jurisprudence Annotated Industrial Law 2010, 1, 83, in which the Court Judge considers that in the presence of confidential information, the description must be carried out only in the presence of the Court-appointed consultant, the parties and their respective defences, all bound to professional secrecy (in such sense, again, the Court of Milano, July 13th 1999 (n. 4088/1)), and the results of the description must remain secret in the Chancellery until further notice. On the notion of confidential information within the description, confidential information (on the meaning of this expression, see Guido Modiano, "Misure idonee a garantire la tutela delle informazioni riservate nel corso di descrizioni giudiziarie", in *Studi di Diritto Industriale in Onore di Adriano Vanzetti*, Tomo II (Italy: Giuffrè Editore, 2004), 1047; also, Marco Saverio Spolidoro, "Profili processuali del Codice della proprietà industriale", *Il Diritto Industriale* 16, no. 2 (2008): 177; and, Massimo Scuffi, *Diritto Processuale della Proprietà Industriale ed Intellettuale: Ordinamento Amministrativo e Tutela Giurisdizionale* (Milan: Giuffrè Editore, 2009).

Reference is made to Chapter VI of the Italian Code of Industrial Property, dedicated to Professional Instruction, which with the novel of 2010[41] and 2012[42], has first of all extended legitimacy to the representation and defence in court proceedings both to agents (article 201, paragraph 4) and to citizens of the European Union that are entitled to practice the same profession in another Member State, as long as they are registered with the association of attorneys, according to the procedures put forth by the Legislative Decree no. 206 of November 9, 2007 (article 201, paragraph 4b).

This dual action did away with the preclusion prohibiting agents to have an audience before the Commission of Appeals for trademarks and patents, as a judicial office, confining the exercise of relative functions to the Office of Trademarks and Patents, considering them administrative in nature. What is more, the provision that attorneys established in other Member States must be registered with the Italian Association of Attorneys and be residents or have professional seats in Italy to exercise their profession within the Patent office has been repealed[43]. The cumulative effect is that today, agents, attorneys, and lawyers registered with their respective associations may represent and defend physical and legal persons in proceedings before the commission of appeals (article 202, paragraph 1) and, in the exercise of these functions, they are obliged to professional secrecy (article 206).

It is also interesting to see that the Code includes among the causes of incompatibility to enrolment and therefore the exercise of a consultant "any employment or any public or private office, except for the employment or positions held in companies, offices or specialized services in the field, both independent and organized within entities or companies, and of teaching exercised in any form" (art. 205, paragraph 1) and then attenuates the strictness of the provision, allowing their enrolment in the association, thus providing compatibility with the membership "of industrial property attorneys, wherein they carry out their activities in offices or services organized within entities or companies, i.e. consortiums or groups of companies". In this case, in fact, pursuant to article 205, paragraph 3, attorneys can operate exclusively in the name and on behalf of the agency or company on which they depend, of the businesses belonging to the

---

[41] Italian Legislative Decree no.131/2010.

[42] Italian Legislative Decree no.1/2012, converted with amendments into law no. 27/2012.

[43] See Judgment of 13 February 2003, *Commission of the European Communities v. Italian* Republic, C- 131/01, EU:C:2003:96.

consortium or the group in which the organizations are firmly established, and businesses or persons that belong to agencies, businesses, groups or consortia within which the authorised attorney is established in systematic relationships of collaboration, including those of research, production and technological exchange.

In other words, according to the code, authorised attorneys can exercise their activity within the agencies, businesses, groups and consortia whose statutory activity is not the exercise of consulting on intellectual property. In this case, their registration within the Association shall occur within the Industrial section and their mandate may be exercised within specific limits of representation of the agency or business they depend on or with which they hold systematic collaborative relationships.

In doing so, the code reinforces the regime of lawyers employed by public entities, which, unlike those of a private business, can subscribe to a "special" list annexed to the association of attorneys to exercise a *jus postulandi* limited to the causes of the entity to which they belong[44].

In this way only is it believed that lawyers and consultants fulfil the mission attributed to them with respect to the prerogatives enshrined in Community law to protect the independence of lawyers, the observance of professional secrecy and the need to avoid conflicts of interest[45].

## *6. Conclusions*

The above remarks confirm that Directive 2014/104/EU does not merely regulate the application of legal privilege within the limits and terms set out in European case law, but also entrusts the transposition legislator to reflect upon the subjective boundaries of the relevant subject matter.

As a result, a new and serious reflection on the subject is solicited by both the categories mentioned within the English and French versions of

---

[44] See article 3, paragraph 4, letter b) of Italian r.d.l no. 1578 of 27/1933, converted into Law no. 36/1934. See, extensively, Falce, "Riservatezza", 469.

[45] In such sense, the conclusions provided by the Opinion of Advocate General Léger delivered on 10 July 2001, *J. C. J. Wouters, J. W. Savelbergh and Price Waterhouse Belastingadviseurs BV v. Algemene Raad van de Nederlandse Orde van Advocaten, intervener: Raad van de Balies van de Europese Gemeenschap*, C-309/99, EU:C:2001:390, 180. In order to enable lawyers to fulfil their "public service" mission in the sense in which it has been by me defined, the State authorities have given them a number of prerogatives and professional obligations. Among the latter, three characteristic aspects form part of the very essence of the legal profession in all Member States, namely the obligations relating to the independence of the lawyer, the observance of professional secrecy and the need to avoid conflicts of interest.

art. 5 of the Directive, and, above all, by the evolutionary tendencies that are being established in the field of intellectual property, upon which the *private antitrust enforcement* is based.

In other words, the opportunity presented is of great value and, if fully grasped, could lead Member States, Italy included, to the creation of a statute of legal privilege in corporate law, in which the communications of in-house lawyers (perhaps granting them ad hoc mandates) and other parties subject to professional secrecy, as long as they are registered with an association and bound by relevant regulations with respect to independence, are formally disciplined. This solution, though, is not as innovative as it appears. 19 OECD States require in fact in-house lawyers be licenced, adequately qualified, and subject to the legal profession's rules of professional ethics and independence, in order to make their communications covered by the legal privilege.[46]

## *Bibliography*

*Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017) (2017). Issue edited by Valeria Falce, Federico Ghezzi and Gustavo Olivieri.

Borghesi, Domenico. "Il segreto nella professione legale". *Rassegna Forense* 3 (2008).

Campagna, Marco Francesco. "La responsabilità solidale incalcolabile dell'illecito antitrust". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 451-468.

Cappa, Ermanno. "La figura del giurista d'impresa", in "Le Professioni intellettuali tra decoro e mercato". *Analisi giuridica dell'economia, Le professioni intellettuali tra decoro e mercato* IV, no. 1 (2005): 153-180.

Fabbio, Philipp. "Note sull'efficacia nel giudizio civile delle decisioni delle autorità della concorrenza nazionali dopo il 'Decreto enforcement' (d.lgs. 19 gennaio 2017, n. 3)", *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 367-390.

Fabrizi, Enrico. "I 'litigation founders' e le azioni di risarcimento del danno da illecito antitrust". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 513-532.

[46] "Working Party No. 3 on Co-operation and Enforcement: Executive summary of the roundtable on the treatment of legally privileged information in competition proceedings, Annex to the Summary Record of the 128th meeting of Working Party No 3. on Co-operation and Enforcement, 26 November 2018".

Falce, Valeria. "Riservatezza delle comunicazioni e 'legal privilege' tra regolazione europea e recepimento nazionale". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 469-484.

Frese, M.J. "The development of general principles for EU competition law enforcement – the protection of legal professional privilege". *European Competition Law Review* 32, no. 4 (2011): 196-205.

Gippini-Fournier, Eric. "Legal professional privilege in competition proceedings before the European Commission: Beyond the cursory glance". In *Annual Proceedings of the Fordham Corporate Law Institute – International Antitrust Law and Policy*, edited by Barry E. Hawk. USA: Juris Publishing, 2005.

Giuseppe Morgese. "La tutela del *legale privilege* nel diritto comunitario della concorrenza". *Studi sull'integrazione europea* III, no. 2 (2008): 311-360.

Infante, Nicola. "'Leniency' e diritto di accesso: Un difficile contemperamento di interessi". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 485-512.

Lang, John Temple. "The strengths and weakness of the DG Competition Manual of Procedure". *The Journal of Antitrust Enforcement* 1, no. 1 (2013): 132-161.

Modiano, Guido. "Misure idonee a garantire la tutela delle informazioni riservate nel corso di descrizioni giudiziarie". In *Studi di Diritto Industriale in Onore di Adriano Vanzetti*, Tomo II, 1043-1157. Italy: Giuffrè Editore, 2004.

Muscolo, Gabriella. "La prova nelle azioni di risarcimento dei danni antitrust". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 391-410.

Parisi, Giacinto. "Brevi note sulla tutela delle informazioni riservate nell'ambito del procedimento di descrizione". *Il Diritto d'Autore* 85, no. 4 (2014): 472-478.

Parker, Christine E., Robert E. Rosen and Vibeke L. Nielsen. "The two faces of lawyers: Professional ethics and business compliance with regulation". *Georgetown Journal of Legal Ethics* 22 (2009).

Pezzoli, Andrea and Gianluca Sepe. "'Public' e 'private enforcement': c'è danno e danno". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 355-366.

Presti, Gaetano. "Spunti generali dal microsistema della solidarietà nella disciplina del danno da concorrenza". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 437-450.

Scuffi, Massimo. *Diritto processuale della proprietà industriale ed intellettuale: Ordinamento Amministrativo e tutela Giurisdizionale*. Milan: Giuffrè Editore, 2009.

Spolidoro, Marco Saverio. "Profili processuali del Codice della Proprietà industriale". *Il diritto industriale* 16, no. 2 (2008): 174-189.

Spolidoro, Marco Saverio and Teresa F.F. Spolidoro. "Profitto illecito e risarcimento del danno antitrust". *Analisi giuridica dell'economia. Il danno alla concorrenza e all'innovazione. Uno, nessuno o centomila?* XVI, no. 2 (2017): 411-436.

Stramaglia, Marco "Il sequestro di documenti informatici: quale tutela per il segreto professionale forense?". *Il Diritto dell'Informazione e dell'Informatica* 24, no. 6 (2008): 831-847.

Wils, Wouter P. J. "EU antitrust enforcement powers and procedural rights and guarantees: The interplay between EU law, national law, the Charter of Fundamental Rights of the EU and the European Convention on Human Rights". *World Competition: Law and Economics Review* 34, no. 2 (2017).

Wils, Wouter P. J. "Legal professional privilege in EU antitrust enforcement: Law, policy & procedure", *World Competition: Law and Economics Review* 42, no. 1 (2019): 21-42.