

regulations. Hogan Lovells partner Gonzalo F. Gállego says one of the main challenges in the sector is trying to “match new technologies with new laws – companies don’t always manage that so they need external lawyers”.

Abril Abogados founding partner Ignacio Temiño says TMT is a rapidly changing sector with many spin-off and start-up companies entering all the time. However, Javier Aparicio, partner at Cuatrecasas, Gonçalves Pereira, says that TMT companies with new ideas to develop usually need to go to the US because regulations in Europe make innovation much more difficult.

Ecija partner Juan Salmerón says: “It is clear the telecoms business is not any more about voice calls. Nowadays revenues come from the quadruple play – the triple play service of broadband Internet access, television and telephone with wireless service provisions – and the other services associated to them where content is king.” He adds that this trend explains why Vodafone purchased ONO, Telefónica’s acquisition of Canal Plus, and Orange’s expected acquisition of Jazztel. Rodrigo Almeida Dias, partner at F. Castelo Branco & Associados, says: “The TMT market is creating a wide range of work for lawyers including M&A and securities, as well as advice on the restructuring of companies – for example HP recently announced that it would be splitting into two companies. However, clients are demanding special fee arrangements for a lot of services.”

#### Tiny firms coming out on top

Marzo says that TMT is not a niche area anymore because there is a “tendency to be digital” in every industry. “Every corporate lawyer needs input from TMT experts at some point,” he adds. Ramos says that while the day-to-day work of TMT lawyers remains the same, clients are now increasingly demanding strategic advice and not just legal advice. He adds that, because TMT law and regulations are becoming more harmonised across Europe, firms are now differentiating themselves by promoting their expertise in particular sectors or industries.

Gállego agrees that, in the future, lawyers could increasingly specialise in particular niche areas, such as privacy and cloud computing. Aparicio says that regulators are creating the need for specialisms “for example, in Germany there are experts in safe harbour”, he claims.

Temiño states that the Svensson case – in which the Court of Justice of the European Union held that websites that redirect internet users via hyperlinks to protected works that are already freely available online does not infringe copyright – as well as the Google “right to be forgotten” issue shows that even “tiny firms with young lawyers” can handle the most important TMT cases. Consequently, he adds that there are new lawyers coming into the TMT market. Gállego explains that a legal assessment is now part of the design of new products: “The product won’t work if it doesn’t fulfil the law.”

Meanwhile, according to Aparicio, TMT companies are increasingly involving lawyers in the development of new products. This is a view shared by Baker & McKenzie partner José María Méndez, who observes: “We are warming up for M&A work, due to consolidation in the sector. We have also spent a lot of non-billable hours

identifying challenges and opportunities for the clients to innovate.” He adds that consolidation will also bring competition and regulatory law work in the sector. He adds: “It’s a highly regulated sector. Many non-EU companies want to invest in Europe so lawyers have to be creative to find the right way.”

Álvarez points out that, in the TMT sector, law firms are no longer a service provider but rather a partner. She remarks: “We [law firms] are now competing with our colleagues elsewhere in Europe. Local specialities will not disappear but we are now in a European market.” She adds that technology users now have opportunities for recourse whether that be consumer law or class actions.

Araoz & Kueda partner Ainhoa Veiga stresses that survival in the continuing evolving and converging TMT sector requires “transformative changes” to gain the leverage necessary to compete in the market. She believes that the market is now experiencing the “so-called next level of convergence”, which is coming from outside of the TMT markets, for example, financial/payment services.

#### Partners join clients to “get rich”

Susana Rodríguez Ballano, senior associate at Deloitte Abogados, identifies social media marketing, cloud computing services, mobile marketing and technologies, electronic payment systems content and big data or privacy impact assessments as some of the main emerging TMT areas. She adds they may “present attractive opportunities for law firms as these areas do not have yet enforceable laws which are adapted to the actual reality of practice”.

Pérez-Llorca partner Juan Rodríguez Cárcamo claims that the internationalisation of telecommunications companies is reflected in the “increasing complexity” of their inquiries. He comments: “As a result, in contrast to specialised attorneys, clients now demand a lawyer capable of approaching the problem from all perspectives. Global problems demand global solutions.”

Ramos observes that another trend is law firms losing their partners to clients. “Some become executive presidents or operations managers at clients – they’re escalating to management positions in bigger companies,” he says. According to another partner, lawyers are making such moves because it enables them to “get richer”.

Aparicio remarks that while there is competition between different regions (“Europe is competing on ideas”), the globalisation of the digital world is increasingly about “competition between companies rather than regions”. However, Álvarez argues that there is not a European market for everything and that each of the European countries still has their own identities. She adds that, in comparison to jurisdictions such as the US, the “values of privacy in Europe have an impact”.

Arpón de Mendivil says that from a regulatory perspective the issues are two fold. First, there is a tension between the “burden imposed on traditional operators and the lighter touch applied to other players”. Second, in general, the US has a “softer approach to regulation” than the EU. “Europe is in a worse position, its regulations can differ depending on the member state while the US is ahead in innovation and, despite its efforts, Europe is still trying to get there.” She adds: “You think we will compete

