

Fintech Seminar – Final Assignment

BUSINESS PLAN MEMORANDUM

Introducing the New Integrated Payment Service FazilPay



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1. Description of the Service (TPC)

FazilPay serves as a contemporary adaptation of the widely used FinTech platform, Satispay, introducing advanced features and a fresh perspective to simplify daily transactions. With its user-centric design and innovative functionalities, FazilPay is poised to enhance the mobile payment experience for both individual users and businesses.

Satispay, a mobile app facilitating seamless payments in commercial establishments and services, enables quick, cost-free fund transfers between users and promotes savings. Its value proposition revolves around three pillars:

1. **Independence**: Satispay avoids affiliations with specific banks or credit card services, prioritizing independence from users' financial institutions and capitalizing on network effects.
2. **Simplicity**: The app boasts an interactive interface with automated functions, identifying fund recipients through a user's phone number or username, eliminating the need for detailed banking information.
3. **Security**: By eschewing credit cards, Satispay ensures that no sensitive information is required. Users register and conduct transactions using only a phone number and IBAN.

FazilPay aims to build on these pillars by enhancing app interconnectedness, introducing the following innovations:

1. **Share-the-Bill Function**: Users can seamlessly split expenses. For instance, a user paying for a group dinner can charge others automatically, evenly distributing the total amount among friends. Future iterations may allow uneven splits or create a compensation scheme for settling balances over a specified time frame.
2. **Diverse Payment Options**: FazilPay aims to expand beyond traditional transactions. In its initial stages, users can pay taxes, government bills, donate, and top up their phones. Expanding the network of affiliated entities and by introducing cashback and other incentives,

FazilPay would seek to optimize its value proposition and foster enduring network effects. These loyalty programs are to be developed over time, by taking a cue from other successful ones, as to further collaborate with various merchants to offer users exclusive discounts, cashback, and rewards. Users can explore and redeem these benefits directly within the app.

3. **QR Code Payments**: FazilPay seeks to establish itself as a prominent player in QR code payments. Users can frame QR codes, enter the amount, and make quick, efficient payments.
4. **Dynamic Budgeting Tools**: Early implementations include tools for users to manage spending and transfer a percentage to a designated savings account. Users can set flexible budgets that adapt to changing financial circumstances. Automated weekly top-ups, linked to users' bank accounts, ensure availability for seamless transactions. AI-powered analysis of spending patterns offers personalized insights to optimize spending, maximize savings, and achieve financial goals.

Maintaining a **user-centric mobile interface** is paramount, ensuring that the additional features align with FazilPay's primary selling point: hassle-free payments in physical and online stores, as well as among friends and acquaintances using SEPA transactions.

Market awareness drives the implementation of the **Green Transactions Initiative**. Users can opt for eco-friendly transactions, with a percentage of their spending contributing to environmental causes. This initiative not only encourages responsible spending but also creates a positive social impact.

2. Market analysis (TPC)

2.1. Location

In launching a product, the location of its platform plays an essential role in its success. As the known real-estate motto best describes “*location, location, location!*”. Thus, one should devote great attention when selecting the location of the launch hub.

As a preliminary consideration, one should limit the relevant geographical market (in what may respect the delimitation of the product market, please refer back to **Section 1** above). As it builds upon its predecessor, Satispay, established in Italy, the broader geographic market shall be said country.

Further restricting said criterium, as a FinTech service, it is essential to select a demography that is not alienated by technology. FazilPay builds on the willingness of consumers to drop established financial habits, such as, but not limited to, paying with cash or with the usage of credit cards, in favour of more tech-savvy solutions. Where the receptiveness to technological advances is low, a service such as the one provided by FazilPay is set out to fail. Thus, less financially developed regions of Italy, such as its southern territories, are to be excluded.

On the other hand, highly saturated business and financial hubs might deeply condition FazilPay’s ability to effectively kickstart its platform, be it due to *(i)* increased financing expenses resulting from a red-ocean-like¹ scenario, *(ii)* the risk of getting the product “lost-in-translation”, as consumers are already exposed to all sorts of innovations on a daily basis (and thus compromising the necessary initial “buzz” associated with successful disruptive innovations), *(iii)* the general cost of doing business in such hubs, which is significantly higher than in peripheral economic centers, and *(iv)*

¹ A term coined by Chan Kim and Renée Mauborgne, that characterizes markets where industries have settled and clearly defined its boundaries. Competitive practices are aimed at securing a greater share of the existing demand (also known as cutthroat or “bloody” competition). As the market space gets progressively more crowded, profits and growth opportunities are severely reduced. This environment is not ideal for launching innovative products, as their initial goal is to promote excitement amongst consumers, and not trying to “win” in an outperformance match against established players.

the over-saturation of administrative entities, responsible for the attribution of the relevant authorizations and intellectual property rights, that might lead to slower and more burdensome proceedings, amongst other relevant factors. Thus, locations such as Milan are to be excluded from the get-go.

A particular sweet spot that combines a willingness to receive and foster innovation, whilst not being overly saturated by already established players, is to be found still in the Emilia-Romagna Region. Its capital, Bologna, presents itself as an interesting platform to launch FazilPay. With its population of 429.8 thousand people (2020), Bologna's economy amounts to an estimated GDP per capita of 38.1 thousand USD², set above Italy's per capita value of 34.158 thousand USD³. The largest sector in Bologna consists of professional and business services industries, accounting for 18.24% of employees in the city. A prime example is administrative and support Services, providing 9.54% of the city's employment. Similarly, it shows a large presence in trade and transportation (16.89%), in industries such as merchant wholesalers, durable goods (2.4%). Financial services represent a very small percentage of total employment, as a proxy of the sector's implementation in the area. By way of example, credit intermediation and related activities account for circa 0,06% of the employed population in 2021⁴. Thus, an untapped potential is to be identified, as Bologna's population does not have the same access to financial services as other financial hubs, such as Milan.

On the other hand, Bologna presents itself demographically as good option for implementing an app-based financial service, as its prevalent age group is between 18 and 64 years old (around 61,3 % of the population), with the greater chunk belonging to people with ages ranging from 30 to 69 years⁵. FazilPay caters to a diverse audience, including tech enthusiasts, young professionals, and businesses, but also private individuals looking for a comprehensive mobile payment solution. As evidenced

² See <https://metroverse.cid.harvard.edu/city/2802/economic-composition>, last retrieved 17 December 2023.

³ See <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?end=2022&locations=IT&start=2022&view=bar>, last retrieved 17 December 2023.

⁴ See <https://metroverse.cid.harvard.edu/city/2802/economic-composition>, last retrieved 17 December 2023.

⁵ See https://www.citypopulation.de/en/italy/emiliaromagna/bologna/037006__bologna/, last retrieved 17 December 2023.

during the COVID-19 pandemic, this demographic seems to generally be more open to innovation in mobile banking and payment systems, such as the ones provided for by FazilPay. Notwithstanding the above and adhering to the ever-so-true motto that younger populations tend to be more open to innovations in payment systems, Bologna's still provides with a very relevant substrate of younger generations to disseminate FazilPay to.

Finally, in what may concern Bologna's receptiveness to startup industries, its scene ranks fifth nationally and thus is to be deemed as receptive to innovation⁶. As such, securing financing should not pose an issue.

In summary, and for the reasons better stated above, we conclude that the optimal location to implement FazilPay would be Emilia-Romagna Region, with the flagship market being Bologna. Further expansion to other regions on the North of Italy are to be considered, after establishing FazilPay as key player in the Emilia-Romagna Region.

2.2. Competitive Forces – Porter's Five Forces Model

Having selected both the product and geographic market, as well as the targeted customer, it is convenient to proceed with a characterization of the competitive forces, using Porter's Model.

That being said, five forces are to be analyzed, namely:

1. Competition in the industry;
2. Potential of new entrants into the industry;
3. Power of suppliers;
4. Power of customers; and
5. Threat of substitute products.

⁶ See <https://www.startupblink.com/startup-ecosystem/bologna-it>, last retrieved 17 December 2023.

Even though a geographic market has been pinpointed in **Section 2.1**, the influence of international and regional players not concretely situated in said region, but with interests represented therein, needs to be taken into account.

A detailed analysis of the forces at hand will follow:

Force	Description	
<p>Competition in the Industry</p>	<p>Refers to the number of competitors and their ability to undercut a company.</p> <p>Features such as the one described above have been introduced in an isolated manner by different players.</p> <p>As an example, international payment service provider PayPal allows for users to transfer funds using only e-mail addresses. Some enterprises allow payment to be processed through this service. Notwithstanding the above, this platform does not allow for the user to directly receive the funds in a predestined account. Furthermore, there is no budget function.</p> <p>Revolut, the widespread virtual bank, allows for intra-banks transfers based on usernames, as well as a budget function similar to the one implemented by FazilPay. The bank also implemented a wide array of loyalty programs. However, its reach is severely limited as it only works for users that hold accounts in said bank.</p> <p>Regional players (<i>maxime</i>, banks) lie behind the wave, as mobile banking platforms tend not to offer any of the features described above.</p> <p>The AI-powered suggestion has not yet been implemented by any market player, to the best of our knowledge.</p> <p>The bundle of services provided by FazilPay sets it apart from other competitors, that offer only isolated features of said bundle.</p> <p>However, as FazilPay's success is conditional on the willingness of competitors to support its functionality, one cannot ignore its dependency on its environment.</p> <p>Furthermore, both the financial and payment system markets present a high number of players. In Italy alone,</p>	<p>Medium</p>

	<p>there are around 439 banks and credit institutions⁷, as well as 63 payment institutions⁸.</p> <p>Notwithstanding the above, in comparative economies, services similar to FazilPay provide success stories, with high levels of dissemination and implementation⁹. The same can be said about its predecessor SatisPay.</p> <p><u>In conclusion</u>, the market is characterized by a highly competitive rivalry. However, FazilPay seems to be shielded by said fierce competition due to the unique bundle of services provided. Notwithstanding the above, its implementation is deeply conditioned by, amongst other, the interconnected nature of the service. Thus, competitive rivalry is to be deemed medium.</p>	
Potential Entrants into New Industry	<p>Refers to the influence of the threat of new entrants into the market on its competitive level.</p> <p>Two main potential entrants are to be identified: <i>(a)</i> competitors in the individual features that might try to diversify into FazilPay’s bundle and <i>(b)</i> other enterprises looking to develop a similar product.</p> <p>However, incentives to enter the market are low, as the entry barriers are high.</p> <p>On the one hand, FazilPay’s success and business model depends on the exploitation of network effects, increasing its value with every new user and new supporting enterprise and financial institution.</p> <p>On the other hand, FazilPay’s defensive IP strategy, best described in Section 7, raises another set of barriers to entry.</p> <p><u>In conclusion</u>, the potential of new entrants into the industry is to be deemed low in the short run. However, as the protection provided by industrial property rights starts to lose its deterrent power, the potential of new entrants might rise to medium.</p>	Medium / Low
Power of Suppliers	<p>Refers to the suppliers’ power to increase the cost of the relevant inputs.</p> <p>FazilPay’s main suppliers are <i>(a)</i> the banks that allow for the transactions to be executed via the app and <i>(b)</i> software developers that are outsourced to work on the app’s features and repair potential bugs.</p> <p>First and foremost, in what may concern the banks, as their willingness to allow transactions to be processed</p>	Medium

⁷ See <https://www.statista.com/statistics/618688/number-of-banks-in-italy/#:~:text=The%20total%20number%20of%20banks,from%20740%20to%20439%20units.>, last retrieved 18 December 2023.

⁸ See <https://www.statista.com/statistics/719211/number-of-payment-service-providers-in-italy/>, last retrieved 18 December 2023.

⁹ For example, the Portuguese example of MBWay.

	<p>through the app is the cornerstone of FazilPay’s business model, their supplier power is high. On the other hand, these institutions might feel the urge to internalize FazilPay’s features, thus increasing their power as suppliers. Notwithstanding the aforementioned, their influence in FazilPay’s business is severely diminished due to <i>(i)</i> FazilPay’s positioning as a networked payment system (i.e., building its business model on the premise of exploiting network effects) and <i>(ii)</i> its defensive IP strategy, best described in Section 7.</p> <p>Secondly, outsourced software developers hold a powerful sway over FazilPay, as they are crucial to the improvement of the user-interface, one of the distinctive value proposals of the business model. However, their influence on FazilPay’s business is severely diminished due to the possibility of internalizing such functions, should outsourced suppliers try to raise the price of their services, making outsourcing less cost-efficient.</p> <p><u>In conclusion</u>, the power of suppliers is to be deemed medium.</p>	
<p>Power of Customers</p>	<p>Refers to the customers’ power to lower prices of the provided products or services.</p> <p>Users of the app are in a very particular spot, when it comes to their influence in the pricing strategy. As best described in Section 4, FazilPay’s remuneration is based on a transaction fee applicable to transfers that exceed ten (10) EUR or to web-based transfers. Customers’ willingness to pay such a fee is dependent on the perceived utility of the provided services. As such and given that traditional banks and other payment service providers (such as PayPal) are starting to implement free-of-charge transfer systems, users’ disposition to use FazilPay’s services is conditioned. On the other hand, FazilPay’s positioning in the market is highly dependent on its ability to create a network of users, as interconnectedness is deeply embedded in its business model. As a consequence, customers hold an unique sway over the pricing strategy implemented by FazilPay.</p> <p>However, with the growing of the customer net, as well as the development of the loyalty program, customers will be compelled to resort to FazilPay’s services, as to benefit from the unique features of the app.</p> <p><u>In conclusion</u>, the power of customers is to be deemed high in the short run. However, as FazilPay’s network of users starts to grow and other key features start to gain traction, power excerpted by consumers will be less prominent.</p>	<p>High / Medium</p>

Threat of Substitute Products	<p>Refers to the existence of substitute goods or services that might replace the company’s products or services.</p> <p>Substitute products are likely to be developed by competitors on the established market, as entry of new players is unlikely (as best described above). These established players lack the financial motivation to create such substitutes, that would offer an alternative bundle of services.</p> <p>This motivation is severely crippled due FazilPay’s exploitation of network effects and the defensive IP strategy, best described in Section 7.</p> <p><u>In conclusion</u>, the threat of substitute products is to be deemed low.</p>	Low
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Having analyzed the individual forces, it is imperative to conclude that the relevant market already experiences some relative competitive pressure (medium in the employed scale). Notwithstanding the competitive forces in play, FazilPay’s particular bundle of services allows it to position its product in a blue-ocean segment of the market, where little competition is to be perceived. The deterrent effect of (i) the network effects and (ii) the defensive IP strategy, best described in **Section 7**, will allow FazilPay to profitably exploit its market position in the medium-long term.

3. Branding Proposal

FazilPay's competitive edge fundamentally relies on its breadth of improved payment features, its simplified payment services for user-friendliness, and its exceptional in-app security for safe transactions anywhere. This is exactly what we aim to present in our branding strategy to further capture market share and appeal to the central Italian demographic, while establish our consumer base for potential future market expansion strategies.

The first major branding component, which our consumers will first set their eyes on, is our company name and logo. Our trademarked name (further discussed in Section 5) is not only easy to pronounce but linguistically and culturally related to our targeted Italian demographic, while also signifying the sole unified purpose of the company to making payments simpler, faster, and more efficient. More importantly, the company logo is a large, italicized capital "F" with a modern technological shift to invoke the understanding that we are a company determined to make the future of payments simpler. The logo is easy to recognize and can easily be translated into an App format facilitating flexibility when used across different technological devices. Additionally, the color blue was purposely chosen to convey a sense of trust, reliability, and security in our company image. Hereby, we aim to present a brand image that evokes not only great professionalism, but also directly appeals to our consumer base by aligning brand's sentiment with the reliable services it provides.



Other secondary means of establishing our brand image is through our company purpose and values, our partners, and the customer support services offered in case of client issues. Our purpose as mentioned before is to establish efficiency, security, and simplicity in payment services, while we stand to solely be a benefit to our consumers and not any third party. All customer financial information is kept fully private and encrypted to prevent any other entity from accessing private customer details which are not necessary during transactions. Hence, the company principles are

founded upon fostering consumer wellbeing, security, and trust. Moreover, we partner solely with other companies who share the same intention in placing consumer and societal wellbeing first. For example, with the Green Transition Initiative, we partner with companies who want to impose a positive environmental impact and work collectively towards a sustainable future. Lastly, to retain and expand our consumer base, it is critical to have a 24-hour active consumer service line present to help customers with transaction errors or service mistake. This is critical to retain users from staying to use FazilPay and to foster a positive brand image that will feel reliable and safe for customers.

4. Profitability Assessment

It is imperative to further assess the profit mechanics of FazilPay to ensure the company will survive in today's competitive market for payment services. The company will rely on two primary ways to collect revenue: user transaction costs, and the transaction fees for companies. Essentially, the split comes between regular customers using the platform, and small companies using it for larger transactions, respectively.

Regular customers will endure a fixed cost of 10 cents for transactions larger than 10 euros. This is similar to Satispay's income structure, yet with only half the fee to make it substantially more attractive for customers over the long term in comparison with Satispay. This is to take over market share from existing payment services platforms and incite growth in our customer base. In addition, the fee will not be diversified according to the type of transaction as other payment services would to keep it as simple and understandable for consumers. No revenue will be collected from the share-the-bill function and dynamic budgeting tools, these will be features established to win customers over. The QR code payments and regular payment options is where the transaction costs will be derived from. The other revenue streams will be transaction fees for companies who want to use the security and simplicity FazilPay offers for company purchases, like raw material purchases, marketing costs, and other investments. For this companies will pay a fee of 0.2% of the size of the monetary transaction. This is again excessively low to make it appealing for companies to use FazilPay

compared to other payment transaction service companies. We target that a weighted average of 2% of the citizen population in Bologna will use FazilPay over a year's time following its launch, then 5% of the population in its second year, and 7% in its third year. We will take a very cautious take on the number of transactions users conduct a day; thereby assuming a very considerate average of 1 transaction per person a day. Therefore, we can expect a gross revenue of €313.9K ($430K * 0.02 * 0.1 * 1 * 365$) in the first year of launch, €784.8K ($430K * 0.05 * 0.1 * 1 * 365$) in the second year, €1098.7K ($430K * 0.07 * 0.1 * 1 * 365$) in the third year. These are very generalized projections, contingent on negotiable assumptions, such as solely using Bologna's current population as an ideal projecting of our starting market size, that users will conduct at least one transaction a day consistently throughout the year, and that we reach our audience targets and realize fast market growth in the launching years. However, these projections further aim to embody the potential revenue growth that FazilPay may accomplish upon successful launch.

On the other hand, it is critical to further incorporate the initial endowments, and the yearly fixed and variable costs associated with operating a payment services platform. Naturally, based on the business structure of a payment services firm, the initial endowments for establishing such a firm are considerably high, requiring a full coding and program development of the entire service platform with all its features and customer support and security tracking employees to assist from launch onwards. Current research notes that the establishment of payment gateway may already cost €200K.¹⁰ When we further include other initial endowment costs like a yearly small office lease, and technological infrastructure costs, licensing costs, we predict the inclusion of another €150K. These are predominantly fixed costs, while we anticipate other costs such as employee wages and overhead costs to cost another €100K. This highlights how in the first year of operation we will be loss making (as our total costs are nearly €150K over our gross revenue) and only start breaking into profit in the second year once we reach our average market usage of 5% and our initial endowment costs related

¹⁰ <https://www.finextra.com/blogposting/25171/how-much-does-it-cost-to-build-a-payment-gateway---and-other-frequently-asked-questions>

in starting the company are no longer there and harming our profitability. It would still be expected to incur some form of yearly maintenance costs regarding the platform, server, and other technological equipment (€50K to €100K), but as the company continues to grow in consumer market share, it can be expected that the subsequent years will see abnormal returns and positive growth.

This analysis connotes two primary concerns for the inception of FazilPay. The first notes raising sufficient initial funds to properly establish the company, which will require significant loans and consultation with potential equity investors to attract the necessary funding in order to correctly start the business. The second notes the essentiality of correctly reaching the consumer market which will heavily rely on outperforming our competitors and addressing the right consumer market with our branding. Combined, both of these will dictate the feasibility and the successfulness of our company in the critical early stages of its launch, and hopefully work in its favor to help FazilPay become a dominant player in the payment services industry in Italy.

5. **The trademarks or service marks that you would use for this business.**

We strongly believe that it is of paramount importance to create distinctive and memorable trademarks for our business. Additionally, it is equally important to develop service marks that align with their intended functions.

We aim to register “FazilPay” as a trademark, accompanied by a distinct and eye-catching logo able to encapsulate the essence and the values of our brand.


Before registering our trademark, we conducted research in order to ensure that the chosen mark has not been previously registered or used for similar goods or services. The absence of identical or similar marks in the same industry is pivotal for the originality of a trademark, in order to fulfill the novelty criteria. Furthermore, “FazilPay” trademark, being not offensive and in accordance with a sense of “decency”, complies with legal and ethical standards.

It is also important to highlight that our trademark is featured by peculiar characteristics which immediately identify the services of our business over another. “FazilPay” indeed combines common words in a unique way to convey a specific meaning related to financial transactions: i) *Fazil* is the Bolognese¹¹ dialect version of the Italian word “facile” which means “easy”; ii) *Pay* is chosen to embody the context of our business. “FazilPay” hence seeks to strike a balance since it conveys the core of financial management without being overly descriptive. As for the selection of the terminology, the word “Fazil” comes the Bolognese dialect, which is considered a niche language not extensively spoken in the targeted region for our business launch. We assert that this linguistic rarity strengthens our brand, particularly when paired with the universally understood English term “Pay”. Moreover, the potential success of our choice stems from the immediate familiarity of “Fazil” with its Italian counterpart, “Facile”, adding a touch of approachability and resonance within the local context.

¹¹ Bolognese is the local language of the city of Bologna (located in Emilia Romagna, Italy).

Moreover, it should also be noted that the analysis of trademark aspects cannot disregard the design features: our logo's aim is in fact to smoothly integrate elements that not only symbolize financial innovation and cutting-edge technology but also convey the utmost ease of use, with the purpose of emphasizing our commitment to provide an intuitive and user-friendly experience.

Delving deeper into the design aspect, our goal is not only to create a visually striking logo but also to establish a unique visual identity for FazilPay. This involves curating a distinctive color palette, strategically chosen to evoke sentiments of trust, reliability, and a progressive approach. The color blue is chosen to resonate with our audience, thus reporting reliability, loyalty, and sincerity.

Trademark	Legal requirements	Registration	Logo
FazilPay ®	Our trademark meets all legal requirement since it is new, lawful, distinctive (as statued by Italian law, articles No. 12, 13, 14 of the Intellectual Property Law ¹²).	Yes, we have provided to register it.	

In relation to Service Marks, we consider essential to characterize the pregnant functions of our core business with a meaningful use of them. The selection of these marks is specifically tailored to evoke the distinctive features of the services we offer through the strategic combination of two words for clarity and resonance. The table below offers an overview of our service marks choices.

Service mark	Function of the service	Explanation of the choices
FazilScanPay TM	As mentioned in section 6, this function allows users to frame QR codes, enter the amount, and make quick payments.	This service mark combines the elements of scanning QR codes for payments with the <i>Fazil</i> brand, creating a memorable and distinct term that reflects the ease and efficiency of QR code payments through FazilPay's app.
FazilEasySplit TM	FazilPay facilitates users in dividing expenses among friends or groups, making the process smoother and more accessible.	It conveys the simplicity of FazilPay's bill-splitting feature.
FazilCashBack TM	The function is offering a rewarding service to the users.	The service mark's choice is determined to the fact that using our app offers several money-

¹² Legislative decree February 10, 2005, no. 30

		related benefits to the users (e.g. cashback mechanism).
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6. Intellectual Property protection: how we shield our business from the competition.

We believe it is crucial to formulate a solid strategy to consolidate and protect our brand’s reputation.

This is done through all the diverse tools provided by intellectual property law.

Since our FinTech company has been launched in a not so big regional reality such as Emilia-Romagna, we foresee that the expansion prospects for the moment are limited to the national territory. Therefore, our business is shielded by Italian regulations governing trademarks, copyrights, and trade secrets.

However, in the event of significant business expansion at European and international level, we will revise our Intellectual Property policy in order to guarantee a more comprehensive protection of our brand. To achieve this latter purpose, we will register our trademarks at the European level through EUIPO and, in the case of an expansion outside Europe, we will protect our trademark at WIPO. Our preference is indeed to submit a single application in EUIPO, as opposed to multiple individual applications in each country where our operations may extend. This strategic approach ensures streamlined and efficient protection across diverse jurisdictions. The table below highlights the tools provided by IP law that we intend to utilize for an optimal protection of our enterprise on the market.

Object	Form of the protection	Explanation
FazilPay brand	Trademark	Since our business is regionally rooted within the Italian territory, we registered the trademark “FazilPay”, at the Italian trademark office UIBM. Trademark registration in Italy grants FazilPay exclusive rights to use the registered trademarks within the country’s borders.
Service marks	Trademarks	Similar to the FazilPay brand, service marks such as “FazilScanPay™” and “FazilEasySplit™” can be protected through trademark registration at UIBM.
Android and iOS App	Copyright	The application we developed plays a key role in our business since users find simple and faster using it to pay in shops and split the bill. For that reason, it is crucial to protect our software application through copyright protection.
Algorithms	Trade secret	The algorithms used by our software shall be shielded by trade secret in order to protect its confidentiality and to maintain a

		competitive advantage by preventing unauthorized use or disclosure.
Website blog content	Copyright	The contents published on our blog website should be protected through copyright, granting to our company an exclusive right from unauthorized reproduction or distribution of the content.
Website domain name	Domain name registration	We want to protect our website domain through the registration of the domain name in order to secure it from unauthorized use by others. Through this step, FazilPay establishes a solid legal basis for ownership, reducing the risk of domain disputes and cybersquatting. We aim to register the domain with the “.com” extension rather than “.it” to align with the choices made by our competitors and to keep avenues for future expansion open.

6.1. Italian legislation regarding Trademark, Copyrights and Trade secret.

According to Italian legislation, Trademarks are protected by Codice della Proprietà Industriale, Legislative Decree No. 30, February 10, 2005. Applications may be filed by anyone: natural persons and legal persons, provided they are domiciled in one of the EU countries. More than one person may be the owner of a trademark. The application may be filed directly by the owner at the UIBM¹³.

As regard to copyright protection, the Copyright Act (Law No. 633 of 22 April 1941 and supplemented and amended by subsequent laws) is the principal legislative source in this field. Few provisions are also contained in the Italian Civil Code (articles 2575 to 2583). Furthermore, Italy is also subject to European legislation (regulations and directives) concerning copyright since it is a member of the European Union, but also to international conventions such as the Bern Convention to which it is part¹⁴. According to the Italian legal system, no specific application is required to obtain or benefit from copyright protection. Nevertheless, an author who wishes to have his or her interests better protected with the broadest guarantees may rely on the Società Italiana Autori ed Editori (SIAE)¹⁵. The author may decide to join the SIAE on a voluntary basis, either by acquiring membership or by conferring a mandate¹⁶. In relation to the trade secret, the protection is accorded

¹³ <https://uibm.mise.gov.it/index.php/it/marchi/registrare-in-italia>

¹⁴ <https://www.jacobacci-law.com/hubfs/2023%20Copyright%20-%20Italy.pdf>

¹⁵ The SIAE is a public economic body with a membership base to which Law no. 633/1941 assigned the task of carrying out intermediation activities in copyright and related rights.

¹⁶ <https://www.altalex.com/guide/copyright#par7>

by Codice della Proprietà Industriale (Industrial Property Code). The Article 98 of the Code lists the elements to be protected in front of judicial Italian courts in case of breaches of NDA¹⁷.

7. Our IP strategy

Our IP strategy is designed to strengthen our brand presence, not only by consolidating in the local market, but also extending our reach nationwide. Through a brand-building approach, we target a younger demographic, catalyzing the expansion of word-of-mouth to a wider audience. This includes leveraging various channels such as social media, information campaigns, billboards and leafleting to establish a strong brand presence in the market. Furthermore, our growth strategy includes expansion beyond regional borders through multi-regional marketing initiatives.

Simultaneously, we place a high priority on preserving our brand reputation through careful market monitoring and proactive enforcement tools, including digital market surveillance, given that the web is the primary place for the most serious violations. This proactive approach ensures promptly actions to infringements on our IPRs. In the event that extrajudicial measures prove inadequate for the removal of the infringed content and the restitution of damages incurred by our company, recourse to national courts will be pursued. Therefore, adopting an assertive enforcement approach, including legal action against infringers, underlines our commitment to maintaining a competitive advantage and safeguarding our innovations. This multifaceted strategy positions FazilPay as a resilient force in the market, dedicated to both expansion and protection. Below the strategy we have outlined.

Object	Strategy	Action(s)	Explanation
Trademark consolidation	Establish a strong brand presence in the market and find out new opportunity to extend the business.	(i) Social media advertising aimed mainly at young people; (ii) Information campaigns; (iii) Billboards; (iv) Leafleting.	FazilPay recognizes that a robust trademark strategy is crucial for building and maintaining a strong brand presence in the local market. Through this strategy, our goal is to consolidate and expand the business to young people. This will allow <i>word of mouth</i> and consequent

¹⁷ <https://www.milomb.camcom.it/trade-secret>

			<p>expansion to an older audience as well.</p> <p>In addition, in order to expand the core brand, FazilPay should consistently assess the possibility of introducing new products, services, or features in line with emerging trends and customer demands.</p>
Geographical Expansion of our business and trademark.	Extend protection beyond Emilia Romagna Region for national presence.	<p>(i) Advertising in other regions of the country (both roadside billboards and social networks);</p> <p>(ii) Facilitations for traders and consumers of the other regions.</p>	<p>A strong multi-regional marketing strategy allows us to expand our business beyond regional borders. Students, often from other regions of Italy, will facilitate this growth. In addition, we plan to offer discounts on the first purchase in shops located outside Emilia-Romagna.</p>
Monitor the market and deter competitors from infringing on FazilPay's IP through enforcement tools	Protect the reputation of the corporate brand from third parties.	<p>(i) Monitor the digital and non-digital market closely;</p> <p>(ii) Take legal action against any instances of infringement, sending a strong message against IP violations.</p>	<p>Firstly, we recognize important a "listening" phase on the web in which company analysts are called upon to keep an eye on the various digital touchpoints where our company is present to verify, analyze and check whether our brand is being infringed by third parties.</p> <p>Through the so-called "web watching", the company constantly monitors the brand within the digital channels, thus being able to become aware of counterfeits, violations of its trademarks or distinctive signs on the web.</p> <p>In the event of identifying a breach of online intellectual property rights, the company will promptly inform the pertinent service provider to take necessary actions for content removal. If the extrajudicial solution proves ineffective, the company will pursue legal remedies, filing lawsuits through local courts against those responsible for infringement.</p> <p>In conclusion, FazilPay will adopt an aggressive approach by the enforcements of our IPRs to safeguard the innovations and maintain a competitive edge.</p>