

Case C-686/21

Summary of the request for a preliminary ruling pursuant to Article 98(1) of the Rules of Procedure of the Court of Justice

Date lodged:

15 November 2021

Referring court:

Corte suprema di cassazione (Italy)

Date of the decision to refer:

29 October 2021

Appellants:

VW

Legea S.r.l.

Respondents:

SW

CQ

ET

VW

Legea S.r.l.

Subject matter of the main proceedings

Appeal before the Corte di Cassazione (Supreme Court of Cassation) against the judgment by which the Corte d'appello di Napoli (Court of Appeal, Naples) ruled lawful the use of a trade mark by the company to which the exclusive right to use that mark had been assigned, free of charge and for an indefinite period, by unanimous consent of the joint proprietors of the mark, even after one of those joint proprietors had expressed his dissent to the continuation of that assignment.

Subject matter and legal basis of the request for a preliminary ruling

The reference for a preliminary ruling concerns the interpretation of EU law in connection with the issue of whether, in the case of joint proprietorship of a trade mark, the grant to a third party of the exclusive right to use the mark requires the unanimous consent of the joint proprietors and whether, after the right to use the mark has been assigned by unanimous agreement, one of the joint proprietors may subsequently withdraw from that assignment unilaterally.

Article 267 TFEU

Questions referred for a preliminary ruling

‘1. Are the EU rules in question, in so far as they provide for the exclusive rights of the proprietor of an EU trade mark and, at the same time, for the possibility of such a mark being owned by several individuals in shares, to be interpreted as meaning that the assignment to a third party of the exclusive right to use a shared trade mark, free of charge and for an indefinite period, can be decided upon by a majority of the joint proprietors, or as meaning that it requires their unanimous consent instead?

2. If it is the latter, in the case where an EU trade mark or a national trade mark is owned by several individuals, would it be consistent with the principles of EU law for it to be impossible for one of the joint proprietors of the mark, after the mark has been assigned to a third party by unanimous decision, free of charge and for an indefinite period, unilaterally to withdraw from that decision or, alternatively, would it, on the contrary, be consistent with the principles of EU law if the joint proprietor were not bound in perpetuity by the original intent, such that he or she could retract, with the resulting effect on the act of assignment?

Provisions of EU law relied on

Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, in particular, Article 10

Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, in particular, Article 9

Provisions of national law relied on

Regio Decreto 16 marzo 1942, n. 262 – Approvazione del testo del Codice civile (Royal Decree No 262 of 16 March 1942 – Approving the Civil Code), in

particular, Articles 1102, 1103, 1105 and 1108 (on co-ownership) and Articles 1372 and 1373 (on efficacy of contract and withdrawal)

Article 1108 of the Civil Code, entitled ‘Innovation and other actions beyond the scope of ordinary administration’, provides, in the first to third paragraphs thereof:

‘By majority resolution of the participants representing at least two-thirds of the total value of the common property, the co-owners may decide upon any innovation to improve the property or to render its enjoyment easier or more profitable, provided that it does not impair the enjoyment of any participant and does not entail heavy expenditure.

Other actions beyond the scope of ordinary administration may be decided upon similarly, provided that they do not harm the interest of any participant.

The consent of all participants is required for the alienation of, or the creation of rights *in rem* over the common property or for the lease thereof for a period exceeding nine years.’

Decreto Legislativo 10 febbraio 2005, n. 30 – Codice della proprietà industriale, a norma dell’articolo 15 della legge 12 dicembre 2002, n. 273 (Legislative Decree No 30 of 10 February 2005 – the Industrial Property Code, enacted pursuant to Article 12 of Law No 273 of 12 December 2002), in particular, Articles 6, 15, 20 and 23

Article 6, entitled ‘Joint ownership’ provides, in paragraph 1 thereof:

‘Where an industrial property right belongs to several persons, the relevant rights shall be governed, except as otherwise established by conventions with rules to the contrary, by the provisions of the Civil Code relating to joint ownership, to the extent they are compatible.’

In accordance with Article 15, exclusive rights are associated with the trade mark.

Article 20(1) provides, in particular, that ‘the rights of the proprietor of the registered trade mark consist in the authority to make exclusive use of the trade mark’, with the consequent right of the proprietor to prevent third parties from using it in the course of trade ‘without his or her consent’.

Article 23 provides that the proprietor may transfer the trade mark ‘in respect of all or part of the goods or services for which it was registered’ and also permits trade marks to be licensed, including on a non-exclusive basis.

Succinct presentation of the facts and procedure in the main proceedings

- 1 In 1993 VW, SW, CQ and ET, in their capacity as joint proprietors of the national and Community trade mark ‘Legea’, each of them as to one quarter, granted the exclusive right to use that mark to the company Legea S.r.l., free of charge and for

an indefinite period. The grant of the right to use the trade mark ‘Legea’ was made with the unanimous consent of all the joint proprietors.

- 2 In December 2006, the proprietor VW expressed his dissent to the continuation of the assignment of the right to use the trade mark. Notwithstanding that dissent, Legea S.r.l. continued to use the mark, even after 31 December 2006.
- 3 In the context of an action brought by Legea S.r.l. against VW before the Tribunale di Napoli (District Court, Naples), the issue was raised of the lawfulness of the company’s use of the trade mark. The District Court held that Legea S.r.l.’s use of the mark had been lawful up to 31 December 2006, since it had taken place with the unanimous content of all the joint proprietors, but unlawful after 31 December 2006, in view of the dissent expressed by the proprietor VW.
- 4 An appeal was brought against the judgment of the District Court before the Court of Appeal, Naples. By judgment of 18 June 2016, the appellate court set aside the judgment at first instance and ruled Legea S.r.l.’s use of the trade mark ‘Legea’ lawful, even after 31 December 2006. That was on the basis that, even after that date, the consent of the majority of the joint proprietors remained. In other words, according to the Court of Appeal, even after 31 December 2006 the joint proprietors had legitimately decided, by a majority (three quarters of the joint proprietors), to consent to Legea S.r.l.’s continued use of the mark. In the case of joint proprietorship of a trade mark, therefore, there is no need for a unanimous decision of the joint proprietors in order to assign the exclusive use of the trade mark to a third party.
- 5 VW has brought an appeal in cassation against the judgment of the Court of Appeal.

The essential arguments of the parties in the main proceedings

- 6 VW considers that the judgment of the appellate court infringed certain provisions of the Civil Code or applied them incorrectly, in particular, the provisions concerning co-ownership and withdrawal.
- 7 According to VW, the judgment of the [appellate court] wrongly characterised as an act of ordinary administration the grant of the exclusive right to use, free of charge and for an indefinite period, a trade mark registered to several joint proprietors. That resulted, in particular, in the incorrect application of Article 1108 of the Civil Code, which provides that, where property is owned jointly by several individuals, any acts going beyond the scope of ordinary administration must be adopted by a qualified majority or unanimously, depending on the case.
- 8 In addition, the appellate court had erred in not finding VW’s unilateral withdrawal from the agreement for the indefinite assignment of the trade mark to be valid.

- 9 Legea S.r.l. and the other joint proprietors of the trade mark, SW, CQ and ET, take the opposite view: a decision relating to a trade mark held in co-ownership that has been adopted unanimously cannot be changed by the majority or, still less, by a single joint proprietor, since unanimous consent is required. Consequently, in the case of an agreement for the assignment of the right to use a trade mark for an indefinite period, entered into with the unanimous consent of all the joint proprietors, any unilateral withdrawal on the part of an individual proprietor is of no effect.

Succinct presentation of the grounds for the reference for a preliminary ruling

- 10 In the view of the Court of Cassation, the rules of the Civil Code governing co-ownership, which apply equally in the case of joint proprietorship of a trade mark, along with the rules governing withdrawal from a contract, must be interpreted in the light of EU trade mark legislation. In this particular case, in fact, some of the trade marks at issue are EU trade marks and therefore the successive sources of EU law are an essential aid to interpretation.
- 11 The referring court notes that EU trade mark legislation adheres to the principle that registration of a trade mark confers exclusive rights on the proprietor (Article 10 of Directive 2015/2436 and Article 9 of Regulation 2017/1001), provides that trade marks may be the subject of an exclusive or non-exclusive licence, and acknowledges the possibility of joint proprietorship of a mark. There are, on the other hand, no rules of EU law governing the manner in which rights of co-ownership may be exercised, which is why the interpretative guidance of the Court of Justice is needed.
- 12 In this legal framework, according to the Court of Cassation, it is necessary to clarify, first, whether the national legislation mentioned should be interpreted as meaning that the assignment to a third party of the right to use a trade mark is comparable to other types of contract, such as a lease agreement. Indeed, where the ownership of property is shared among several individuals, a lease of longer than nine years will require the consent of all the joint proprietors, pursuant to the third paragraph of Article 1108 of the Civil Code.
- 13 In the referring court's view, an agreement assigning the exclusive right to use a trade mark establishes a personal right of enjoyment similar in structure to the right of a tenant under a lease agreement. However, that view – which, according to the referring court, was implicitly accepted in the contested judgment of the Court of Appeal – might be held to be incompatible with the specific characteristics of the EU trade mark (intangibility, distinctive character, conferral of exclusive rights on each joint proprietor). The grant of a licence in respect of a trade mark, as in the present case, is always potentially detrimental to the rights of individual joint proprietors. Consequently, according to the Court of Cassation, such an agreement should be treated in the same way regardless of its duration

(shorter than or longer than nine years) and the manner (free of charge or otherwise) in which the right to use the mark is assigned to the third party.

- 14 Secondly, in the referring court's view, it is necessary to clarify whether, in the situation where an agreement assigning the exclusive right to use a trade mark, free of charge and for an indefinite period, has been entered into with the unanimous consent of the joint proprietors of the mark, one of the joint proprietors may subsequently express his dissent to the continuation of that assignment.

WORKING DOCUMENT