Reports of Cases

JUDGMENT OF THE COURT (Tenth Chamber)

27 April 2023*

(Reference for a preliminary ruling – Trade mark law – Directive 89/104/EEC – Directive (EU) 2015/2436 – Regulation (EC) No 40/94 – Regulation (EU) 2017/1001 – Exclusive rights of the trade mark proprietor – Trade mark belonging to two or more persons – Conditions on majority required between joint proprietors for granting and terminating a licence of their trade mark)

In Case C-686/21,

REQUEST for a preliminary ruling under Article 267 TFEU from the Corte suprema di cassazione (Supreme Court of Cassation, Italy), made by decision of 29 October 2021, received at the Court on 15 November 2021, in the proceedings

**VW**

v

**SW,**

**CQ,**

**ET,**

**Legea Srl,**

and

**Legea Srl**

v

**VW,**

**SW,**

**CQ,**

**ET,**

* Language of the case: Italian.

THE COURT (Tenth Chamber),

composed of D. Gratsias, President of the Chamber, M. Ilešič (Rapporteur) and I. Jarukaitis, Judges,

Advocate General: M. Campos Sánchez-Bordona,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– VW, by F. Rampone, avvocato,

– Legea Srl, by G. Biancamano, avvocato,

– SW, CQ, ET, by R. Bocchini, avvocato,

– the Polish Government, by B. Majczyna, acting as Agent,

– the European Commission, by P. Messina and P. Němečková, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 8 December 2022,

gives the following

## Judgment

1 This request for a preliminary ruling concerns the interpretation of 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 (OJ 2015 L 336, p. 1) and of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).

2 The request has been made in the context of proceedings between, first, VW and SW, CQ, ET and Legea Srl and, second, Legea and VW, SW, CQ and ET, concerning the allegedly unlawful use of trade marks consisting of the sign ‘Legea’.

### Legal context

#### *The regulations on the EU trade mark*

3 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1) (‘Regulation No 40/94’), was repealed and replaced by Council Regulation (EC)

No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. The latter regulation was repealed and replaced, with effect from 1 October 2017, by Regulation 2017/1001.

4 Article 5 of Regulation No 40/94, entitled 'Persons who can be proprietors of Community trade marks', provided:

'Any natural or legal person, including authorities established under public law, may be the proprietor of a Community trade mark.'

5 Article 9 of that regulation, entitled 'Rights conferred by a Community trade mark', provided, in paragraph 1 thereof:

'A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

(b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the [European] Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.'

6 Article 16 of that regulation, entitled 'Dealing with Community trade marks as national trade marks', was worded as follows:

'1. Unless Articles 17 to 24 provide otherwise, a Community trade mark as an object of property shall be dealt with in its entirety, and for the whole area of the Community, as a national trade mark registered in the Member State in which, according to the Register of Community trade marks,

(a) the proprietor has his seat or his domicile on the relevant date; or

(b) where subparagraph (a) does not apply, the proprietor has an establishment on the relevant date.

2. In cases which are not provided for by paragraph 1, the Member State referred to in that paragraph shall be the Member State in which the seat of the Office [for Harmonization in the Internal Market (trade marks and designs)] is situated.

3. If two or more persons are mentioned in the Register of Community trade marks as joint proprietors, paragraph 1 shall apply to the joint proprietor first mentioned; failing this, it shall

apply to the subsequent joint proprietors in the order in which they are mentioned. Where paragraph 1 does not apply to any of the joint proprietors, paragraph 2 shall apply.'

7 Article 21 of the same regulation, entitled 'Insolvency proceedings', provided, in paragraphs 1 and 2 thereof:

'1. The only insolvency proceedings in which a Community trade mark may be involved are those opened in the Member State in the territory of which the debtor has his centre of main interests.

…

2. In the case of joint proprietorship of a Community trade mark, paragraph 1 shall apply to the share of the joint proprietor.'

8 Article 22 of Regulation No 40/94, entitled 'Licensing', provided, in paragraphs 1 and 2 thereof:

'1. A Community trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Community. A licence may be exclusive or non-exclusive.

2. The proprietor of a Community trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract with regard to its duration, the form covered by the registration in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee.'

9 Those provisions of Articles 5, 9, 16, 21 and 22 of Regulation No 40/94 are similar to the corresponding provisions of Articles 5, 9, 19, 24 and 25 of Regulation 2017/1001.

### *The directives to approximate the laws of the Member States relating to trade marks*

10 First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) was repealed and replaced, with effect from 28 November 2008, by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25 and corrigendum OJ 2009 L 11, p. 86). The latter directive was repealed and replaced by Directive 2015/2436, with effect, in accordance with Article 55 of the latter, from 15 January 2019.

11 The third and sixth recitals of First Directive 89/104 provided:

'Whereas it does not appear to be necessary at present to undertake full-scale approximation of the trade mark laws of the Member States and it will be sufficient if approximation is limited to those national provisions of law which most directly affect the functioning of the internal market;

…

Whereas this Directive does not exclude the application to trade marks of provisions of law of the Member States other than trade mark law, such as the provisions relating to unfair competition, civil liability or consumer protection'.

12 Article 5 of that directive, entitled 'Rights conferred by a trade mark', provided, in paragraph 1 thereof:

'The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.'

13 Article 8 of that directive, entitled 'Licensing', provided:

'1. A trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Member State concerned. A licence may be exclusive or non-exclusive.

2. The proprietor of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract with regard to its duration, the form covered by the registration in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee.'

14 Those provisions of Articles 5 and 8 of First Council Directive 89/104 are similar to the corresponding provisions of Articles 10 and 25 of Directive 2015/2436.

## The dispute in the main proceedings and the questions referred for a preliminary ruling

15 VW, SW, CQ and ET are joint proprietors in equal shares of the national and EU trade mark LEGEA, registered for sporting goods (together, 'the marks at issue').

16 In 1993, VW, SW, CQ and ET decided to grant Legea an exclusive licence, free of charge and for an indefinite period, to use the marks of which they are joint proprietors ('the licence agreement').

17 At the end of 2006, VW opposed the continuation of that licence agreement.

18 On 16 November 2009, Legea brought an action against VW before the Tribunale di Napoli (District Court, Naples, Italy) seeking a declaration of invalidity of marks containing the sign 'Legea' which VW had registered. By way of counterclaim, VW requested, first, a declaration of invalidity of marks registered by Legea and, second, a declaration of unlawful use of the marks at issue by that company.

19 By a judgment of 11 June 2014, the Tribunale di Napoli (District Court, Naples) found that Legea, acting with the consent of all of the joint proprietors, had made legitimate use of the marks at issue until 31 December 2006. However, that court held that, after that date, because of VW's opposition to the continuation of the licence agreement, that use was unlawful.

20 By a judgment of 11 April 2016, the Corte d'appello di Napoli (Court of Appeal, Naples, Italy) varied that judgment in part. Taking the view that the unanimous consent of the joint proprietors was not required in order to grant a trade mark licence to a third party, that court held that the will of three of the four joint proprietors of the marks at issue was sufficient to continue the licence agreement after 31 December 2006, notwithstanding VW's opposition.

21 The referring court, hearing appeals against the judgment of 11 April 2016, is uncertain as to the arrangements for the individual exercise of the exclusive right that is jointly held by the joint proprietors of a trade mark, in the light of the provisions of EU law, and refers, in that regard, to Article 10 of Directive 2015/2436 and to Articles 9 and 25 of Regulation 2017/1001.

22 In those circumstances, the Corte suprema di cassazione (Supreme Court of Cassation, Italy) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'(1) Are the EU rules [provided for in Article 10 of Directive 2015/2436 and Articles 9 and 25 of Regulation 2017/1001], 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?'

## Admissibility of the request for a preliminary ruling

23 SW, CQ and ET dispute the admissibility of the first question referred on the ground that, since the licence agreement was concluded by the joint proprietors of the marks at issue unanimously, it is irrelevant whether a majority was sufficient to take such a decision. For its part, Legea submits that the request for a preliminary ruling is inadmissible, as the conditions for forming the consent of the joint proprietors of a trade mark, both for granting a licence for use by a third party and for terminating it, are not governed by EU law.

24 It should be recalled that, in proceedings under Article 267 TFEU, which are based on a clear separation of functions between the national courts and the Court of Justice, the national court alone has jurisdiction to determine and assess the facts of the main proceedings and to interpret and apply national law. It is likewise solely for the national court before which the dispute has been

brought, and which must assume responsibility for the subsequent judicial decision, to determine in the light of the particular circumstances of the case both the need and the relevance of the questions which it submits to the Court (judgment of 6 October 2022, *Contship Italia*, C-433/21 and C-434/21, EU:C:2022:760, paragraph 23).

25 The Court may refuse to rule on a question referred by a national court only where it is quite obvious that the interpretation of EU law that is sought bears no relation to the actual facts of the main action or its purpose, where the problem is hypothetical, or where the Court does not have before it the factual or legal material necessary to give a useful answer to the questions submitted to it (judgment of 3 June 2021, *BalevBio*, C-76/20, EU:C:2021:441, paragraph 46 and the case-law cited).

26 In the case at hand, the referring court has set out, in a sufficiently clear manner, the legal and factual context and the reasons for its uncertainty regarding the interpretation of certain provisions of EU law it considers necessary in order to enable it to deliver judgment. It is not obvious that the interpretation that is sought is unrelated to the main proceedings or that the problem raised is hypothetical.

27 That conclusion is not called into question by the argument put forward by Legea, since the question of whether EU law governs the arrangements for adopting the decision to grant a licence to use a trade mark by the joint proprietors of that mark is part of the examination of the substance of the questions referred for a preliminary ruling. Moreover, contrary to what SW, CQ and ET submit, the first question referred is relevant to the outcome of the main proceedings since, if a majority of joint proprietors is sufficient to take the decision to grant a licence to use a trade mark, the withdrawal, by a minority joint proprietor, of the consent he or she had initially expressed to the grant of such a licence could, in any event, remain without consequences.

28 The request for a preliminary ruling is, therefore, admissible.

## Consideration of the questions referred

### *The first question*

29 As a preliminary point, it should be noted that, in view of the date of the facts in the main proceedings, those proceedings are governed, as regards EU trade marks, by Regulation No 40/94 and, as regards national trade marks, by First Council Directive 89/104. The provisions of Articles 9 and 25 of Regulation 2017/1001 and of Article 10 of Directive 2015/2436, to which the referring court refers, correspond to those set out, respectively, in Articles 9 and 22 of Regulation No 40/94 and in Article 5 of First Council Directive 89/104. Therefore, the questions submitted should be reformulated referring to those provisions.

30 By its first question, the referring court asks, in essence, whether First Council Directive 89/104 and Regulation No 40/94 must be interpreted as meaning that the grant or the termination of a licence to use a national trade mark or an EU trade mark held in joint proprietorship requires a unanimous decision by the joint proprietors or a decision by a majority of them.

31 It should be recalled that, according to Article 5 of First Council Directive 89/104 and Article 9 of Regulation No 40/94, the trade mark confers an exclusive right on its owner. Article 5 of that regulation states that any natural or legal person, including authorities established under public law, may be the proprietor of an EU trade mark.

32 Moreover, it is apparent from Article 8(1) of First Council Directive 89/104 and Article 22(1) of Regulation No 40/94 that both a national trade mark and an EU trade mark may be licensed, either exclusively or non-exclusively, for all or some of the goods or services for which they are registered.

33 It is apparent from Article 16(3) and Article 21(2) of Regulation No 40/94, which refer to the 'joint proprietors' of an EU trade mark, that such a mark may belong to two or more persons.

34 While it is true that First Council Directive 89/104 does not refer to the joint proprietorship of a national trade mark, as the Advocate General noted, in essence, in points 47 and 48 of his Opinion, that omission does not mean that joint proprietorship of such a trade mark is excluded, but that it is governed by national law, under which fall the arrangements for the exercise, by joint proprietors, of the rights conferred by the trade mark, including the right to decide on the grant or the termination of a licence to use it.

35 Furthermore, as is apparent from the third and sixth recitals of First Council Directive 89/104, although the purpose of that directive is to approximate the laws of Member States on trade marks in order to abolish existing disparities which may impede the free movement of goods and freedom to provide services, the directive does not seek a full-scale approximation of those laws (see, to that effect, judgment of 21 November 2002, *Robelco*, C-23/01, EU:C:2002:706, paragraph 33).

36 Regarding Regulation No 40/94, while recognising joint proprietorship of an EU trade mark, it does not contain any provision governing the conditions for the exercise, by the joint proprietors of such a mark, of the rights conferred by it, including the right to decide on the grant or the termination of a licence to use it.

37 It is apparent from Article 16(1) of Regulation No 40/94, however, that an EU trade mark as an object of property is to be dealt with as a national trade mark registered in the particular Member State, according to the rules laid down in that article. It follows that, in the absence of a provision in that regulation governing the arrangements for the adoption, by the joint proprietors of an EU trade mark, of the decision to grant or to terminate a licence to use that mark, those arrangements are governed by the law of that Member State.

38 In the light of all of the foregoing considerations, the answer to the first question is that First Council Directive 89/104 and Regulation No 40/94 must be interpreted as meaning that the question of whether the grant or the termination of a licence to use a national trade mark or an EU trade mark held in joint proprietorship requires a unanimous decision by the joint proprietors or a decision by a majority of them comes within the scope of the applicable national law.

***The second question***

39 In view of the answer given to the first question, there is no need to answer the second question.

## Costs

40 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Tenth Chamber) hereby rules:

**First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark**

**must be interpreted as meaning that the question of whether the grant or the termination of a licence to use a national trade mark or an EU trade mark held in joint proprietorship requires a unanimous decision by the joint proprietors or a decision by a majority of them comes within the scope of the applicable national law.**

[Signatures]