



## Reports of Cases

JUDGMENT OF THE COURT (Seventh Chamber)

22 June 2016\*

(Reference for a preliminary ruling — Intellectual property — Community designs — Regulation (EC) No 6/2002 — Articles 32 and 33 — Licence — Register of Community designs — Right of the licensee to bring proceedings for infringement notwithstanding the fact that the licence has not been entered in the register — Right of the licensee to bring proceedings for infringement in order to obtain damages for its own loss)

In Case C-419/15

REQUEST for a preliminary ruling under Article 267 TFEU from the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany), made by decision of 21 July 2015, received at the Court on 30 July 2015, in the proceedings

**Thomas Philipps GmbH & Co. KG**

v

**Grüne Welle Vertriebs GmbH,**

THE COURT (Seventh Chamber),

composed of C. Toader, President of the Chamber, A. Rosas and E. Jarašiūnas (Rapporteur), Judges,

Advocate General: M. Wathelet,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

- the German Government, by T. Henze, J. Möller and J. Mentgen, acting as Agents,
- the Polish Government, by B. Majczyna, acting as Agent,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

\* Language of the case: German.

## Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Article 32(3) and the first sentence of Article 33(2) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1).
- 2 The request has been made in proceedings between Thomas Philipps GmbH & Co. KG and Grüne Welle Vertriebs GmbH concerning an action for damages resulting from the infringement of a Community design, brought by Grüne Welle Vertriebs against Thomas Philipps.

### Legal context

- 3 As set out in recital 29 of Regulation No 6/2002:

‘It is essential that the rights conferred by a Community design can be enforced in an efficient manner throughout the territory of the Community.’

- 4 Articles 32 and 33 of Regulation No 6/2002, interpretation of which is sought, and also Articles 28 and 29 of that regulation are in Title III, entitled ‘Community Designs as Objects of Property’.

- 5 Article 28 of the regulation, entitled ‘Transfer of the registered Community design’, provides:

‘The transfer of a registered Community design shall be subject to the following provisions:

- (a) at the request of one of the parties, a transfer shall be entered in the register and published;
- (b) until such time as the transfer has been entered in the register, the successor in title may not invoke the rights arising from the registration of the Community design;

...’

- 6 Article 29 of Regulation No 6/2002, entitled ‘Rights in rem on a registered Community design’, states:

‘1. A registered Community design may be given as security or be the subject of rights in rem.

2. On request of one of the parties, the rights mentioned in paragraph 1 shall be entered in the register and published.’

- 7 Under Article 32 of Regulation No 6/2002, headed ‘Licensing’:

‘1. A Community design may be licensed for the whole or part of the Community. A licence may be exclusive or non-exclusive.

...

3. Without prejudice to the provisions of the licensing contract, the licensee may bring proceedings for infringement of a Community design only if the right holder consents thereto. However, the holder of an exclusive licence may bring such proceedings if the right holder in the Community design, having been given notice to do so, does not himself bring infringement proceedings within an appropriate period.

4. A licensee shall, for the purpose of obtaining compensation for damage suffered by him, be entitled to intervene in an infringement action brought by the right holder in a Community design.

5. In the case of a registered Community design, the grant or transfer of a licence in respect of such right shall, at the request of one of the parties, be entered in the register and published.'

8 Article 33 of the regulation, entitled 'Effects vis-à-vis third parties', provides:

'1. The effects vis-à-vis third parties of the legal acts referred to in Articles 28, 29, 30 and 32 shall be governed by the law of the Member State determined in accordance with Article 27.

2. However, as regards registered Community designs, legal acts referred to in Articles 28, 29 and 32 shall only have effect vis-à-vis third parties in all the Member States after entry in the register. Nevertheless, such an act, before it is so entered, shall have effect vis-à-vis third parties who have acquired rights in the registered Community design after the date of that act but who knew of the act at the date on which the rights were acquired.

3. Paragraph 2 shall not apply to a person who acquires the registered Community design or a right concerning the registered Community design by way of transfer of the whole of the undertaking or by any other universal succession.

...'

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

9 Grüne Welle Vertriebs is the exclusive licensee for the Federal Republic of Germany for a Community design for laundry balls, registered under number 0008770030-0001 by EMKER SA which has its seat in Switzerland. That licence has not been entered on the register of Community designs ('the register').

10 Thomas Philipps operates from approximately 200 branches and an on-line shop. It sells, along with other products, a laundry ball under the description 'washing machine ball with ceramic granules'.

11 Taking the view that that product was a copy of the registered Community design for washing balls and that it was empowered by the rightholder of that model to bring all claims arising from the design in its own name, Grüne Welle Vertriebs sent a letter before action to Thomas Philipps demanding that it refrain from selling the laundry balls, which Thomas Philipps undertook so to do.

12 The national court, hearing a claim for damages and requests for measures of inquiry by Grüne Welle Vertriebs, held Thomas Philipps liable, finding that the applicant had established that it was entitled to bring the action for damages in its own name. Thomas Phillipps appealed that decision and contends before the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany) that Grüne Welle Vertriebs is not entitled to bring claims arising from the Community design.

13 The Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) asks, in the first place, whether Grüne Welle Vertriebs, which acts with the consent of the rightholder in the design, as Article 32(3) of Regulation No 6/2002 prescribes, is entitled to bring proceedings although it is not entered on the register as a licensee. It observes that a purely literal reading of that provision could lead to a negative reply but the specified rule can also be understood as meaning that it merely governs the possibility of good faith acquisition, which the rule set out in Article 33(2), second sentence, of that regulation would tend to support.

14 The Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) raises, in the second place, the question of the connection between paragraphs 3 and 4 of Article 32 of Regulation No 6/2002. Noting that Grüne Welle Vertriebs seeks compensation for its own loss resulting from loss of revenue, that court observes that that claim can be successful, where there is no action by the rightholder in the

Community design, only if Article 32(3) of the regulation allows the licensee to pursue its own claim for damages independently. It is not clear to the national court whether the latter provision allows only the rights of the holder of the Community design to be exercised in a third party claim or whether that article must be interpreted as meaning that the procedure referred to therein also includes proceedings for damages for loss suffered by the licensee. In addition, the national court notes that Article 32(4) of that regulation could also be interpreted as meaning that it is that paragraph alone which governs the power of the licensee to bring proceedings for that purpose.

15 In those circumstances, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

- ‘(1) Does the first sentence of Article 33(2) of Regulation No 6/2002 preclude a licensee who has not been entered in the register of Community designs from bringing claims for the infringement of a registered Community design?
- (2) In the event that the first question is answered in the negative: may the exclusive licensee of a Community design, with the consent of the rightholder, bring an action on its own claiming damages for its own loss under Article 32(3) of Regulation No 6/2002 or can the licensee only intervene in an action brought by the rightholder for an infringement of its Community design under Article 32(4) of that regulation?’

### Consideration of the questions referred

#### *The first question*

- 16 By its first question, the referring court asks, in essence, whether the first sentence of Article 33(2) of Regulation No 6/2002 must be interpreted as meaning that the licensee cannot bring proceedings alleging infringement of a registered Community design which is the subject of the licence if that licence has not been entered in the register.
- 17 It is apparent from the first sentence of Article 33(2) of Regulation No 6/2002, according to which ‘as regards registered Community designs, legal acts referred to in Articles 28, 29 and 32 shall only have effect vis-à-vis third parties in all the Member States after entry in the register’, that the legal acts thus covered are the transfer of the registered Community design, the creation of rights in rem over that design and the grant of licences. Read in isolation, that sentence could be interpreted as meaning that the licensee cannot, if the licence has not been entered in the register, rely on the rights conferred by that licence vis-à-vis third parties, including the party infringing the design.
- 18 However, in interpreting a provision of EU law, it is necessary to consider not only its wording but also the context in which it occurs and the objectives pursued by the rules of which it is part (judgments in *Brain Products*, C-219/11, EU:C:2012:742, paragraph 13, and *Lanigan*, C-237/15 PPU, EU:C:2015:474, paragraph 35 and the case-law cited).
- 19 As regards the context of which the first sentence of Article 33(2) of Regulation No 6/2002 is part, it should be observed, first of all, that the second sentence of that paragraph qualifies the rule set out in that first sentence as regards ‘third parties who have acquired rights’ in the registered Community design after the date of the legal act in question but who knew of the act at the date on which the rights were acquired. Article 33(3) establishes an exception to that rule in the case of a ‘person who acquires the registered Community design or a right concerning the registered Community design’ by way of transfer of the whole of the undertaking or by any other universal succession. Accordingly, an interpretation of Article 33(2) and (3) of Regulation No 6/2002 which is both literal and schematic

gives support to the idea that it, as a whole, is intended to govern the enforceability of the legal acts referred to in Articles 28, 29 and 32 of the regulation in respect of third parties who have, or are likely to have, rights in the registered Community design (see, by analogy, judgment of 4 February 2016 in *Hassan*, C-163/15, EU:C:2016:71, paragraph 20).

- 20 Next, the Court notes that Title III of Regulation No 6/2002, which includes Article 33, is entitled ‘Community Designs as objects of property’. Accordingly, all of the articles in that section contain rules relating to the Community designs as objects of property. This is the case with regard to articles 28, 29 and 32 of the regulation which relate to acts the purpose or effect of which is to create or transfer a right in respect of the design.
- 21 Finally, the Court observes that, in the first sentence of Article 32(3) of Regulation No 6/2002, the licensee’s right to bring proceedings for infringement of a Community design, without prejudice to the provisions of the licensing contract, is subject only to the consent of the proprietor of that design.
- 22 It must also be stated that, according to Article 32(5) of Regulation No 6/2002, the licence is entered in the register on request of one of the parties. However, that article, like Article 29 of the regulation, does not contain any provision analogous to that of Article 28(b) of the regulation, under which ‘[a]s long as the transfer has not been entered in the register, the successor in title may not invoke the rights arising from the registration of the Community design’.
- 23 Moreover, Article 28(b) of Regulation No 6/2002 would serve no useful purpose if Article 33(2) of that regulation had to be interpreted as precluding reliance, vis-à-vis all third parties, on all of the legal acts referred to in articles 28, 29 and 32 of the regulation unless they have been entered in the register.
- 24 With regard to the purpose of the rule laid down in the first sentence of Article 33(2) of Regulation No 6/2002, it must be held that, having regard to what has been established in paragraphs 19 and 20 of the present judgment, the lack of effects, vis-à-vis third parties, of the legal acts referred to in Articles 28, 29 and 32 of that regulation which have not been entered in the register is intended to protect a person who has, or may have, rights in a Community design as an object of property. It follows that the first sentence of article 33(2) does not apply to a situation such as that in the main proceedings, in which the licence holder complains that a third party, by infringing the design, infringes the rights conferred by the registered Community design (see, by analogy, judgment of 4 February 2016 in *Hassan*, C-163/15, EU:C:2016:71, paragraph 25).
- 25 In the light of all of the foregoing, the answer to the first question is that the first sentence of Article 33(2) of Regulation No 6/2002 must be interpreted as meaning that the licensee may bring proceedings alleging infringement of a registered Community design which is the subject of the licence although that licence has not been entered in the register.

#### *The second question*

- 26 By its second question, the referring court asks, in essence, whether Article 32(3) of Regulation No 6/2002 must be interpreted as meaning that the licensee can, in proceedings concerning the infringement of a Community design brought by it in accordance with that provision, claim damages for its own loss.
- 27 Whereas Article 32(4) of Regulation No 6/2002 states that a licensee is, for the purpose of obtaining compensation for damage suffered by him, entitled to intervene in an infringement action brought by the rightholder in a Community design, Article 32(3) of that regulation does not state whether the licensee can claim damages for that loss where it brings the infringement action envisaged in that provision in its own right.

- 28 However, those two provisions, which establish a system of legal remedies open to the licence holder of a Community design against the infringer of that Community design, must be read together. Those provisions allow the licensee to bring proceedings either by way of an action, by bringing infringement proceedings with the consent of the design holder or, in the case of an exclusive licence, if having been given notice the rightholder does not itself bring infringement proceedings within an appropriate period, or by way of intervention in infringement proceedings brought by the rightholder in a Community design. The latter route is the only one available to the holder of a non-exclusive licence who does not obtain the consent of the rightholder of the design to act alone.
- 29 Whilst the licensee may seek damages for the loss it has incurred by intervening in the infringement proceedings brought by the rightholder of the Community design, nothing prevents it from also doing so where it brings the infringement proceedings itself with the consent of the rightholder of the design, or, if it is the holder of an exclusive licence, without that consent in the case of inaction by that rightholder after having given it notice to bring proceedings.
- 30 The system set out in paragraph 28 of the present judgment would, moreover, lack coherence if the licensee could defend its own interests only by joining an action brought by the rightholder of the Community design when he may act alone by way of an action with the consent of that rightholder, or without its consent in the case of an exclusive licence, to defend their common interests.
- 31 Furthermore, the possibility for the licensee to seek, in the proceedings laid down in Article 32(3) of Regulation No 6/2002, compensation for damage suffered by it is consistent with the objective set out in recital 29 of that regulation, consisting of ensuring that the rights conferred by a Community design can be enforced in an efficient manner throughout the territory of the European Union and also with the purpose of that provision and of Article 32(4) of that regulation, which is to give to the licensee the procedural means to bring proceedings in respect of the infringement and thus to defend those rights which have been conferred on it. To prohibit it from acting for that purpose in those proceedings would make it totally dependent, including in the case of an exclusive licence, on the rightholder of the design to obtain compensation for damage suffered by it and, should that right holder not bring proceedings, would, therefore, be detrimental to the exercise of those rights. Therefore, such a prohibition is contrary both to the objective of Regulation No 6/2006 and to the purpose of Article 32(3) and (4) of that regulation.
- 32 Consequently, the answer to the second question is that Article 32(3) of Regulation No 6/2002 must be interpreted as meaning that the licensee can claim damages for its own loss in proceedings for infringement of a Community design brought by it in accordance with that provision.

### **Costs**

- 33 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national 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 (Seventh Chamber) hereby rules:

- 1. The first sentence of Article 33(2) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs must be interpreted as meaning that the licensee may bring proceedings alleging infringement of a registered Community design which is the subject of the licence although that licence has not been entered in the register of Community designs.**
- 2. Article 32(3) of Regulation No 6/2002 must be interpreted as meaning that the licensee can claim damages for its own loss in proceedings for infringement of a Community design brought by it in accordance with that provision.**

[Signatures]