ECJ rules on right of European Union Design licensee to bring infringement proceedings

- The licensee of a European design registration does not have to have recorded the licence on the European Union Designs Register to be able to bring proceedings for the infringement of the licensed design
- The licensee of a European design registration is also entitled to claim damages for its own losses suffered by the infringement of the design

What's it about?

Grünne Welle Vertriebs GmbH (**Grünne**) was the exclusive licensee of a registered European Union design for laundry balls. Thomas Philipps (**Philips**) sold laundry balls which copied this design. Grünne brought infringement proceedings, and the German national court held that the registered design had been infringed. Philips appealed the decision on the basis that Grünne was not entitled to bring proceedings for registered design infringement as the exclusive licence had not been recorded against this design registration as required by Article 33(2) of Council Regulation No. 6/2002 on European Union Designs (the **Regulation**).

Why does it matter?

The German court sought guidance from the ECJ on two questions. The first was whether Articles 32(3) and 33(2) of the Regulation prevented a licensee who had not been recorded on the European Designs Register from bringing a design infringement claim.

In brief, Article 32(3) states that a licensee of a European Design may bring proceedings for infringement of the registered design, if the registered owner consents, or if the registered owner does not bring proceedings within an appropriate period after being notified by the licensee. Article 33(2) states that the provisions of Article 32(3) shall only have effect if the licence has been recorded on the European Designs Register.

Philips argued that this meant Grünne was not entitled to bring infringement proceedings as the licence had never been recorded.

The ECJ held that Article 33(2) relates to dealings with a European Union design as an object of property. The purpose was to protect a party who has an interest in a European design registration, such as a licensee, in the situation where the design registration is transferred to a new owner. Article 33(2) does not apply to the situation where the licensee brings a claim for registered design infringement. A licensee is free to bring proceedings for infringement of a registered design, even if the licence has not been recorded on the European Designs Register.

The second question concerned Article 32(4) of the Regulation, which states that a licensee, in order to obtain compensation for its own losses, is entitled to intervene in an infringement action brought by the registered owner of the European Union Design.

Philips argued that this meant that Grünne was not entitled to bring a claim for damages in its own right, as it could only obtain damages by intervening in an infringement claim brought by the registered owner. The German court sought clarification as to whether this was the case.

The ECJ held that whilst the licensee would have to intervene in an infringement claim filed by the registered owner, nothing in the Regulation prevents the licensee from seeking damages where it has brought the claim itself. It would not make sense if a licensee was free to bring an infringement claim in its own name, but was only able to claim damages for its own losses by intervening in an action brought by the registered owner.

Now what?

This case provides reassurance to the licensee of a European design registration who has not recorded the licence on the European Designs Register that it will not be prevented from bringing an infringement claim and recovering damages for any losses that it has suffered.

Thomas Philipps GmbH & Co KG v Grüne Welle Vertriebs GmbH, C-419/15

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