

THE COURT OF CASSATION CLARIFIES THE SCOPE OF THE RIGHT TO EXPLOIT JOINTLY-OWNED PATENTS

By its judgment No. 4131 dated 18 February 2025, the Italian Supreme Court of Cassation returned to the subject of co-ownership of industrial property rights, focusing, on this occasion, on the rules applicable to patents.

With this decision, the Supreme Court clarified the scope of the reference contained in Art. 6(1) of the Industrial Property Code to the provisions on community of rights in rem, in particular Articles 1102 et seq. of the Civil Code. According to the Supreme Court, unless otherwise provided for by contract between the co-owners, the individual co-owner of a patent may not proceed independently to exploit the patented invention. The rationale of this principle lies in the need to guarantee unitary protection of the patent, avoiding that an individual use may compromise the exclusive value of the patent right also recognised to the other co-owners.

The dispute at the origin of the ruling concerned the legitimacy of the unilateral exploitation of the patent by one of the co-owners, without the consent of the others. The Court of Appeal, hearing the matter, had found such conduct permissible, arguing that the reference to Article 1102 of the Civil Code allows each co-owner to derive from the common thing the utility typical of the same. In the case of patents, that utility would translate into the possibility for each co-owner to economically exploit the invention, enjoying exclusivity vis-à-vis all third parties who are not owners of the patent, but not vis-à-vis the other co-owners. In other words, according to the Court of Appeal, the exclusive right conferred by the patent would be enforceable externally, but would not preclude the co-owners from freely using it individually.

The Supreme Court, while recognising the validity of certain logical premises of the appeal decision, nevertheless overturned its outcome, adopting a broader perspective oriented towards the economic function of the patent. In fact, the Supreme Court pointed out that intellectual property cannot be considered in the same way as any other tangible asset, but must be assessed in terms of its market vocation and exchange value. In this perspective, an individual and non-concurrent exploitation of the invention would end up distorting its purpose, altering its economic function and reducing its capacity to generate value for all joint owners.

Particularly relevant is the passage in which the Supreme Court emphasises that patent protection, designed to guarantee a unitary competitive advantage, is irreparably compromised if the patent is exploited unilaterally. The Court stated, in fact, that the protection guaranteed by the patent when the use is exercised in a collegial manner dissolves when only one of the co-owners arrogates the right to exploit the invention independently. Such conduct, according to the Judge of legitimacy, not only negatively affects the position of the other co-owners, but determines a real alteration of the contractual and economic balance underlying the co-ownership of the patent.

On the basis of these considerations, the Court of Cassation therefore annulled the contested judgement, remanding the case to the Court of Appeal of Venice for reconsideration in light of the principles set out. The decision represents a significant landmark in patent co-ownership jurisprudence, confirming the need for a unified approach to the management and exploitation of industrial property rights.

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