Corte costituzionale

JUDGMENT NO. 112 OF 2008

FRANCO BILE, PRESIDENT
GIUSEPPE TESAURO, AUTHOR OF THE JUDGMENT

JUDGMENT No. 112 YEAR 2008

In this case the Court considered a challenge to the rule that industrial property appeals filed after the entry into force of the Industrial Property Code shall be referred to the specialist sections even if the proceedings at first instance were commenced and celebrated in accordance with the arrangements previously in force. However, the authorisation contained in the declared parent statute did not concern the regulation of the jurisdiction and transitional arrangements applicable to disputes referred to the specialist sections in industrial and intellectual property law. In fact, such matters were covered by a different parent statute, which contained a specific directional principle governing transitional provisions, according to which the government was obliged to "ensure that the specialist sections mentioned in sub-section 1(a) not be encumbered with an initial procedural burden that would prejudice the efficient commencement of their activities", though which had in the meantime lapsed. Accordingly, since the provision did not fall within the ambit of the discretion of the secondary legislator, as it did not consistently develop and complete the choices made in the parent statute, but on the contrary conflicted with the solution reached under the terms of the authorisation concerning the specialist sections, the Court declared it unconstitutional.

THE CONSTITUTIONAL COURT

Composed of: President: Franco BILE; Judges: Giovanni Maria FLICK, Francesco AMIRANTE, Ugo DE SIERVO, Alfio FINOCCHIARO, Alfonso QUARANTA, Franco GALLO, Luigi MAZZELLA, Gaetano SILVESTRI, Sabino CASSESE, Maria Rita SAULLE, Giuseppe TESAURO, Paolo Maria NAPOLITANO,

gives the following

JUDGMENT

in proceedings concerning the constitutionality of Article 245(2) of legislative decree No. 30 of 10 February 2005 (Industrial Property Code, enacted pursuant to Article 15 of law No. 273 of 12 December 2002), commenced pursuant to the referral orders of 15 February and 13 March 2007 of the Milan Court of Appeal in civil proceedings between Company Shirt s.r.l., in liquidation, and Stefano Conti s.r.l. and others, and between

Alpi s.p.a. and Alpilegno s.n.c. di Paolo Capra & C., registered as Nos. 509 and 568 in the Register of Orders 2007 and published in the *Official Journal of the republic*, Nos. 27 and 33, first special series 2007.

Considering the entry of appearance by Kamiciando s.n.c.;

having heard the Judge Rapporteur Giuseppe Tesauro in the public hearing of 26 February 2008 and in chambers on 27 February 2008.

The facts of the case

1. – In two orders of 15 February and 13 March 2007, issued during the course of two separate proceedings, the Milan Court of Appeal raised the question of the constitutionality of Article 245(2) of legislative decree No. 30 of 10 February 2005 (Industrial Property Code, enacted pursuant to Article 15 of law No. 273 of 12 December 2002), with reference to Article 76 of the Constitution and Article 15 of law No. 273 of 12 December 2002 (Measures to promote private initiative and to stimulate competition).

2. – The first order (No. 509 of 2007) states that the principal proceedings concern a request for compensation for harm resulting from the violation of exclusive use rights over a registered trade mark, resolved at first instance by a judgment of the *Tribunale di Brescia,* an ordinary court, filed on 20 June 2005. The unsuccessful party appealed against the above judgment on 20 October 2005, pursuing proceedings against the other parties before the Milan Court of Appeal.

One of the appellants challenged the jurisdiction of the court seized, averring that the Brescia Court of Appeal had jurisdiction, also claiming that Article 245 of legislative decree No. 30 of 2005, which provides that the Milan Court of Appeal has jurisdiction, was unconstitutional.

According to the referring court, the question of constitutionality is relevant, since the challenge to the court's jurisdiction was correctly filed and the Milan Court of Appeal only has jurisdiction under the terms of the contested provision, which however breaches Article 76 of the Constitution.

According to the lower court, law No. 273 of 2002 conferred upon the government two distinct authorisations, concerning respectively: “the reorganisation of the

provisions in force governing industrial property matters" (Article 15); and the creation in the ordinary courts and courts of appeal of sections specialising in industrial and intellectual property law (Article 16; hereafter, the specialist sections).

The second law was implemented by legislative decree No. 168 of 27 June 2003 (Creation of specialist sections in industrial and intellectual property law in the ordinary courts and courts of appeal, pursuant to Article 16 of law No. 273 of 12 December 2002) which, amongst other things, established the jurisdiction of the specialist sections created at the ordinary *Tribunale di Milano* and the Milan Court of Appeal over disputes which, according to the ordinary criteria governing territorial jurisdiction, related to "areas falling within the districts of the Court of Appeal of Milan and Brescia" (Article 4(1)(f)).

Article 6 of legislative decree No. 168 of 2003 referred to the specialist sections proceedings registered after 1 July 2003, providing that disputes pending as of 30 June 2003 be assigned to the competent court under the terms of the legislation previously in force, applying the directional criterion which required that the said sections not be encumbered with an initial procedural burden that would prejudice their efficient functioning (Article 16(3) of law No. 273 of 2002).

Article 16 was interpreted as providing that appeals against judgments at first instance handed down in proceedings commenced prior to 30 June 2003 should be filed with the ordinary sections, in accordance with the principles set out in the case law of the Court of Cassation concerning transitional provisions for the introduction of new procedural legislation and new jurisdictional rules, and in accordance with the concepts of "dispute" and "judgment" which may be used to this end.

Article 245(2) of legislative decree No. 30 of 2005 on the other hand stipulated that "appeals filed after the entry into force of the Code shall be referred to the specialist sections pursuant to Article 134(3), even if the proceedings at first instance or the arbitration proceedings were commenced and were celebrated in accordance with the arrangements previously in force".

In the opinion of the lower court, this provision introduced a rule incompatible with the principles mentioned above, as the authorisation contained in Article 16 of law No. 273 of 2002 (regarding the creation of the specialist sections, the regulation of

jurisdiction and the transitional procedural arrangements) had already been implemented through the promulgation of legislative decree No. 168 of 2003 and had lapsed following the enactment of legislative decree No. 30 of 2005. Legislative decree No. 30 on the other hand implemented the authorisation contained in Article 15 of law No. 273 of 2002, which did not authorise the government to intervene in the regulation of proceedings and the legislation referred to in the authorisation contained in Article 16, since there was no need for any "adjustment" or "coordination" capable of justifying any amendment to the rules governing jurisdiction for proceedings commenced before 30 June 2003.

On different grounds, the lower court argues that law No. 229 of 29 September 2003 (Provisions relating to the quality of regulation, legislative reorganisation and codification – Simplification law 2001) does not contain provisions which are capable of acting as a basis for the contested provision, and does not comply with the general principles of civil procedure. Indeed, Article 5 of the Code of Civil Procedure provides that the jurisdiction of a court may not be modified by laws enacted after [the filing of] any given application, thus setting out a rule containing interpretative guidelines in order to establish the principles presupposed by and underlying the parent law, which were respected by Article 6 of legislative decree No. 168 of 2003 but disregarded by the contested provision.

2.1. – The second order (No. 568 of 2007) states that the principal proceedings concerned an application for a declaration of infringement of exclusive rights claimed over a registered trade mark and the adoption of the resulting measures, resolved at first instance by the judgment of the *Tribunale di Brescia* filed on 25 October 2004. The unsuccessful party appealed against the judgment on 11-13 October 2005; the respondent claimed that the court seized had no jurisdiction, specifying the Brescia Court of Appeal as the competent court.

According to the referring court, the challenge was correctly filed and the Milan Court of Appeal can only be considered to have jurisdiction under the terms of the contested provision which, however, breached Article 76 of the Constitution.

The lower court expressly refers, in support of the question of constitutionality raised, to the arguments made by the Milan Court of Appeal in the order mentioned above, which it repeats almost *verbatim*.

3. – In the proceedings commenced pursuant to the first of the above orders, Kamiciando s.n.c. di Piazza Lucia, a party to the main proceedings, entered an appearance, requesting that the question raised be accepted on the basis of arguments substantively similar to those contained in the referral order.

Conclusions on points of law

1. – The question of the constitutionality raised by the Milan Court of Appeal concerns Article 245(2) of legislative decree No. 30 of 10 February 2005 (Industrial Property Code, enacted pursuant to Article 15 of law No. 273 of 12 December 2002), insofar as it provides that appeals filed after the entry into force of the Code shall be referred to the specialist sections mentioned in Article 134(3) of the said decree, even if the proceedings at first instance were commenced and celebrated in accordance with the arrangements previously in force.

According to the referral order, the provision breaches Article 76 of the Constitution with reference to Article 15 of law No. 273 of 12 December 2002 (Measures to promote private initiative and to stimulate competition), since the authorisation contained in the latter did not concern the regulation of the jurisdiction and transitional arrangements applicable to disputes referred to the specialist sections in industrial and intellectual property law (hereafter, the specialist sections), such matters falling within the ambit of the express authorisation contained in Article 16 of law No. 273 of 2002 which was implemented through the promulgation of legislative decree No. 168 of 27 June 2003 (Creation of specialist sections in industrial and intellectual property law in the ordinary courts and courts of appeal, pursuant to Article 16 of law No. 273 of 12 December 2002), and thereafter lapsed.

2. – Since the proceedings concern the same provision, which is contested with reference to the same constitutional principle, for similar reasons and substantially identical arguments, and since they raise the same question, they must be joined and ruled upon in a single judgment.

3. – The question is well founded.

As a preliminary matter, the court finds that the question is relevant insofar as the contested provision provides that appeals filed after the entry into force of the Code shall be referred to the specialist sections, even if the proceedings at first instance commenced and were celebrated in accordance with the arrangements previously in force.

3.1. – According to the case law of this court, the constitutional review of a legislative decree consists in a comparison between the outcomes of two parallel interpretative processes concerning, respectively, the parent statute (with a view to identifying its precise content, within the ambit of its principles and directional criteria along with their underlying context, as well as its rationale and goals) and the secondary legislation, which must be interpreted in a manner compatible with the principles and directional criteria contained in the parent statute (see, most recently, judgments No. 341, No. 340 and No. 170 of 2007).

The contents of the authorisation contained in Articles 15 and 16 of law No. 273 of 2002 and the relationship between them were recently examined by this court in judgment No. 170 of 2007, which ruled on a question of constitutionality concerning a different provision of legislative decree No. 30 of 2005.

In the light of the arguments contained in this judgment, it must first be noted that the contested provision is based exclusively on Article 15 of law No. 273 of 2002, bearing in mind both the indication to this effect contained in the preamble to legislative decree No. 30 of 2005, as well as the fact that the time limit for the exercise of the authorisation contained in Article 16 of law No. 273 of 2002 had expired when the legislative decree was issued.

On account of the wording of the aforementioned Article 15 (concerning "the reorganisation of the provisions in force governing industrial property matters"), the relevant principles and directional criteria as well as the legislative context of the provision, and hence also the substantive content of the authorisation contained in Article 16 of the same law, it is necessary to reiterate that the questions relating to the creation and organisation of the specialist sections, generally speaking, fell outwith the authorisation contained in Article 15.

The authorisation to create and regulate the specialist sections is in fact contained in Article 16 of law No. 273 of 2002, which also contains a specific directional principle governing transitional provisions, according to which the government was obliged to "ensure that the specialist sections mentioned in sub-section 1(a) not be encumbered with an initial procedural burden that would prejudice the efficient commencement of their activities" (sub-section 3).

In accordance with this principle, Article 6 of legislative decree No. 168 of 2003 referred to the specialist sections only proceedings "registered after 1 July 2003" (sub-section 1), providing that disputes "pending as of 30 June 2003 be assigned to the competent court under the terms of the legislation previously in force" (sub-section 2). Article 6 – and in particular sub-section 2 – has been interpreted by the Court of Cassation as "applying […] to the commencement of proceedings at first instance, irrespective of the stage in the court hierarchy which the case had reached at the time when the law entered into force" (order No. 2203 of 1 February 2007).

The contested provision does not therefore concern "the reorganisation of the provisions in force governing industrial property matters", and hence fall within the ambit of the authorisation contained in Article 15 of law No. 273 of 2002. Indeed, Article 15 also refers to the procedural law arrangements provided for under special legislation concerning the reorganisation and regulation of the administrative procedures referred to therein, but only in relation to amendments that are necessary in order to consolidate the law within a single legislative text, bring it into line with international and Community law provisions, organise it within a new framework and highlight the systemic interrelations between the various industrial property rights.

Article 245(2) of legislative decree No. 30 of 2005 contained provisions which were *ultra vires*, moreover making a choice inconsistent with that which, pursuant to the principle contained in Article 16 of law No. 273 of 2002, had been made by Article 6 of legislative decree No. 168 of 2003. Therefore, the provision does not fall within the ambit of the discretion of the secondary legislator, since it does not consistently develop and complete the choices made in the parent statute, but on the contrary conflicts with the solution reached under the terms of the authorisation concerning the specialist sections.

The court therefore finds that Article 245(2) is unconstitutional due to violation of Article 76 of the Constitution, insofar as it provides that appeals filed after the entry into force of the Code shall be referred to the specialist sections, even if the proceedings at first instance commenced and were celebrated in accordance with the arrangements previously in force.

on those grounds

THE CONSTITUTIONAL COURT

hereby,

declares that Article 245(2) of legislative decree No. 30 of 10 February 2005 (Industrial Property Code, enacted pursuant to Article 15 of law No. 273 of 12 December 2002) is unconstitutional, insofar as it provides that appeals filed after the entry into force of the Code shall be referred to the specialist sections, even if the proceedings at first instance commenced and were celebrated in accordance with the arrangements previously in force.

Decided in Rome, at the seat of the Constitutional Court, *Palazzo della Consulta*, on 14 April 2008.

Signed:

Franco BILE, President

Giuseppe TESAURO, Author of the Judgment

Giuseppe DI PAOLA, Registrar

Filed in the Court Registry on 24 April 2008.

The Director of the Registry

Signed: DI PAOLA