

Reports of Cases

OPINION OF ADVOCATE GENERAL CAMPOS SÁNCHEZ-BORDONA delivered on 8 December 2022¹

Case C-686/21

VW,
Legea Srl
v
SW,
CQ,
ET,
VW,
Legea Srl

(Request for a preliminary ruling from the Corte suprema di cassazione (Supreme Court of Cassation, Italy))

(Reference for a preliminary ruling — Directive 89/104/EEC — Article 5 — Regulation (EC) No 40/94 — Article 9 — Exclusive right of trade mark proprietor — Exercise of exclusive rights in a jointly owned trade mark — Formation of collective consent to dispose of rights in the trade mark — Applicable law — National law)

- 1. The Corte suprema di cassazione (Supreme Court of Cassation, Italy) is required to adjudicate on a dispute concerning a trade mark which is jointly owned by a number of individuals belonging to the same family. The joint proprietors agreed at a particular time to assign the right to use that trade mark to a company but one of the proprietors is seeking subsequently to terminate that assignment, which is opposed by the other proprietors.
- 2. The referring court's uncertainties concern the rules governing the assignment, by the proprietor, of the right to use the trade mark in a situation of joint proprietorship. To resolve those uncertainties, the referring court has asked the Court of Justice to interpret Article 10 of Directive (EU) 2015/2436² and Article 9 of Regulation (EU) 2017/1001.³

EN

¹ Original language: Spanish.

Directive 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).

Begulation of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).

3. Specifically, the Corte suprema di cassazione (Supreme Court of Cassation) asks whether EU law⁴ lays down rules on the formation of collective consent, both for granting a third party a licence to use a trade mark and for withdrawing that licence.

I. Legal framework

A. European Union law

- 1. Directive 89/104/EEC
- 4. Article 5 ('Rights conferred by a trade mark') provides:
- '1. 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 ...

...,

- 5. Article 8 ('Licensing') stipulates:
- '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 license may be exclusive or non-exclusive.

...,

- 2. Regulation (EC) No 40/94
- 6. Article 9 ('Rights conferred by a Community trade mark') is worded:
- 1. A Community trade mark shall confer on the proprietor exclusive rights therein ...

..,

- 7. Under Article 16 ('Dealing with Community trade marks as national trade marks'):
- '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

For the reasons I shall set out below, I believe that the following are applicable, *ratione temporis*, to this dispute: 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), and Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), in the version resulting from Council Regulation (EC) No 422/2004 of 19 February 2004, amending Council Regulation (EC) No 40/94 on the Community Trade Mark (OJ 2004 L.70, p. 1).

- (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 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.'
- 8. Pursuant to Article 19 ('Rights in rem'):
- '1. A Community trade mark may, independently of the undertaking, be given as security or be the subject of rights *in rem*.

...,

- 9. In accordance with Article 21 ('Insolvency proceedings'):
- '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.

...

- 10. Article 22 ('Licensing') states:
- '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.

•••

- 11. Article 97 ('Applicable law') reads:
- '1. The Community trade mark courts shall apply the provisions of this Regulation.
- 2. On all matters not covered by this Regulation a Community trade mark court shall apply its national law, including its private international law.

. . . 1

B. Italian law

- 1. Decreto Legislativo 10 febbraio 2005, n. 30 Codice della proprietà industriale, a norma dell'articolo 15 della legge 12 dicembre 2002, n.273⁵
- 12. Article 6 ('Joint ownership) provides:
- '1. Where an industrial property right belongs to several persons, the relevant rights shall be governed, except as otherwise established by conventions with rules to the contrary, by the provisions of the Civil Code relating to joint ownership, to the extent they are compatible.

•••

- 13. Article 20(1) states that registration of a trade mark is to confer on the proprietor an exclusive right to use that trade mark, with the consequent right of the proprietor to prevent third parties from using the mark in the course of trade without his or her consent.
- 14. Article 23 provides that the proprietor may transfer the trade mark in respect of all or part of the goods or services for which it was registered and also permits trade marks to be the subject of an exclusive licence.
- 2. Regio Decreto 16 marzo 1942, n.262 Approvazione del testo del Codice civile⁶
- 15. Article 1108 ('Innovation and other actions beyond the scope of ordinary administration') provides:

'By majority resolution of the participants representing at least two-thirds of the total value of the common property, any innovation to improve the property or to render its enjoyment easier or more profitable may be carried out, provided that it does not impair the enjoyment of any participant and does not entail excessively onerous expenditure.

Similarly, other actions beyond the scope of ordinary administration may be carried out, provided that they do not harm the interest of any participant.

The consent of all participants is required for the alienation of, or the creation of rights *in rem* over the common property or for the lease thereof for a period exceeding nine years ...'

II. Facts, dispute and questions referred for a preliminary ruling

16. In 1990, VW, SW, CQ and ET formed a general partnership which, on 29 July 1992, filed an application for national registration of the trade mark Legea for sports goods. Registration was granted on 11 May 1995 under the number 650850.

Legislative Decree No 30 of 10 February 2005 approving the Industrial Property Code, pursuant to Article 15 of Law No 273 of 12 December 2002.

⁶ Royal Decree No 262 of 16 March 1942 approving the text of the Civil Code.

- 17. In 1993, the joint proprietors of the trade mark 'Legea' unanimously granted Legea Srl ('the company Legea') a licence to use that mark for an indefinite period and free of charge.⁷
- 18. In December 2006, VW expressed his dissent to the continuation of the licence.8
- 19. In 2009, the company Legea instituted proceedings before the Tribunale di Napoli (District Court, Naples, Italy) seeking to obtain, inter alia, a declaration of invalidity of certain marks registered by VW which contained the word 'Legea'. For his part, VW lodged a counterclaim in the same proceedings.
- 20. In those proceedings, the dispute concerned:
- whether the assignment of the use of the mark in 1993 required the unanimous consent of the joint proprietors or, on the other hand, majority agreement was sufficient;
- whether that assignment could be revoked by the withdrawal of consent by one of the joint proprietors (VW).
- 21. On 11 June 2014, the Tribunale di Napoli (District Court, Naples) gave judgment, ruling that the use of the mark by the company Legea was: (a) lawful until 31 December 2006, since it occurred with the unanimous consent of all the joint proprietors; and (b) unlawful after 31 December 2006, in the light of the disagreement expressed by VW.
- 22. An appeal was lodged against that judgment before the Corte d'appello di Napoli (Court of Appeal, Naples, Italy), which set the judgment aside in part in its judgment of 11 April 2016.
- 23. The appeal court held that use of the mark by the company Legea was also lawful in the period after 31 December 2006, because the joint proprietors had legitimately decided by a three quarters majority to allow that company to continue using the mark after that date. In the case of joint proprietorship, there would be no need for the unanimous agreement of the joint proprietors in order to assign the exclusive use of the trade mark to a third party.
- 24. VW appealed against the appellate judgment before the Corte suprema di cassazione (Supreme Court of Cassation). In summary, that court has put forward the following arguments as the basis for its request for a preliminary ruling:
- The provisions of the Civil Code governing joint ownership of property, which are applicable to joint proprietorship of trade marks, along with the provisions governing withdrawal from a contract, must be interpreted in the light of EU trade mark legislation.
- EU trade mark law provides that trade marks may be the subject of a licence and acknowledges the possibility of joint proprietorship of a mark. However, it does not lay down any express rules governing whether the exercise of the rights relating to joint ownership of property requires unanimous or majority agreement in order to assign the right of exclusive use of a mark to a third party, for an indefinite period and free of charge.

⁷ According to the parties' written observations, the company Legea was formed in 1993, within the family, by VW, CQ and another brother who was a minor at the time, as to equal shares. Joint ownership of the trade mark had already been agreed, also within the family circle, between the parents (SW and ET) and their children (CQ and VW).

According to VW, between 1993 and 2006, as a result of a series of capital increases, his shareholding in the company Legea fell to 2.5% of the total shareholdings. From that minority position, his claim against the company is to obtain payment for use of the mark.

- It is also necessary to clarify whether, where such an assignment occurs by unanimous agreement, one of the joint proprietors may subsequently dissent and terminate the assignment.
- 25. Against that background, the Corte suprema di cassazione (Supreme Court of Cassation) has referred the following questions to the Court of Justice for a preliminary ruling:
- '(1) Are the EU rules in question [Article 10 of Directive 2015/2436 and Article 9 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?'

III. Procedure before the Court of Justice

- 26. The request for a preliminary ruling was received at the Court Registry on 15 November 2021.
- 27. Written observations were lodged by the company Legea, SW, CQ, ET, VW, the Polish Government and the European Commission.
- 28. It was not considered necessary to hold a hearing.

IV. Assessment

A. Introductory remark

29. These preliminary-ruling proceedings concern the interpretation of EU trade mark law. It is necessary to determine in the proceedings how the exclusive rights associated with proprietorship of a mark may be exercised where that mark belongs to a number of joint owners (or joint proprietors).⁹

As the Commission points out in reference to Regulation 2017/1001, the use of the terms 'cotitulares' in Article 19(3) and 'copropietario' in Article 24(2) is irrelevant because both can be regarded as equivalent (the same occurs in relation to Regulation No 40/94 and Articles 16 and 21 thereof). A number of language versions use different words in the two articles (for example, 'cotitulaires' and 'copropiétaire' in the French; 'contitolari' and 'comproprietario; in the Italian; 'cotitulaires' and 'copropietario' in the Spanish; and 'gemeinsame Inhaber' and 'Mitinhabers' in the German), but others make no distinction ('joint proprietor(s)' in the English).

- 30. The referring court states that 'some of the marks at issue are EU trade marks', but it does not specify whether or not the trade mark Legea, to which the dispute relates, is an EU trade mark. ¹⁰
- 31. It is apparent from the parties' observations that a number of different (national, EU and international) registrations of the sign Legea have been disputed, ¹¹ but, I repeat, it is not possible to ascertain with certainty from the order for reference whether the registration recorded at EUIPO is that to which these preliminary-ruling proceedings relate. ¹²
- 32. In those circumstances, in order to cover all the possibilities, it is helpful to conduct an analysis of the rules governing EU trade marks and those governing national trade marks.
- 33. The referring court has framed its questions in relation to the interpretation of Regulation 2017/1001 and Directive 2015/2436. However, as I have already stated, I do not believe that the provisions of those two texts are applicable to the facts of the dispute, which occurred in 1993 and December 2006.

34. Indeed:

- The licence to use the mark was granted in 1993. It was, therefore, a new national mark governed by domestic law, which Directive 89/104 sought to harmonise. Directive 89/104, and not Directive 2015/2436, was applicable *ratione temporis* to that mark.
- VW withdrew consent to the grant of the licence in 2006, in other words before the entry into force of Regulation 2017/1001. In the event that the rules governing Community trade marks (later, EU trade marks) are applicable to that withdrawal of consent, the relevant rules would be those laid down in Regulation No 40/94 and not those laid down in Regulation 2017/1001.¹³
- 35. In any event, since the content of both legal frameworks (Directive 89/104 and Regulation No 40/94, on the one hand, and Directive 2015/2436 and Regulation 2017/1001, on the other) is similar in this regard, the arguments concerning the former may be extrapolated to the latter. To make clear the parallels, I shall point out the similarities that exist.

B. Admissibility of the questions referred for a preliminary ruling

36. SW, CQ and ET maintain that the first question is not necessary to adjudicate the main proceedings. ¹⁴ They argue that, since the joint proprietors agreed unanimously to grant the licence, ¹⁵ it is not important to ascertain whether a majority was sufficient for the adoption of that decision.

- $^{\scriptscriptstyle 10}$ $\,$ A search on the EUIPO website shows that figurative mark No 000788646, Legea, was registered on 14 November 2001.
- Written observations of the company Legea, paragraph 8.
- An examination of the first-instance and appellate judgments suggests that, in fact, the proceedings relate to that mark, which was initially registered as a national trade mark and, since 14 November 2001, has been registered as an EU trade mark. However, that perception is far from clear. The order for reference does not shed much light: paragraph IV refers to the assignment of the use of the trade mark Legea as a Community trade mark in 1993. However, that is not possible because until the entry into force of Regulation 40/94, the Community trade mark did not exist as such.
- 13 From now on, I shall use the term 'EU trade mark' even if the references in the legislation are to the 'Community trade mark'.
- $^{\rm 14}$ $\,$ Paragraphs 74 and 75 of SW's written observations.
- Paragraph IV of the order for reference states that it is not in dispute that the licence to use the mark Legea was granted to the company Legea in 1993 by unanimous agreement. The second question referred for a preliminary ruling is based on the same assumption: it refers to a 'mark ... assigned to a third party by unanimous decision'.

- 37. In all likelihood, SW, CQ and ET have the correct approach but it cannot be ruled out that the referring court's question may be relevant if that court is seeking to add any legal effects to the fact that, at the relevant time, the unanimous decision of the joint proprietors of the mark could have been a majority decision.
- 38. From that perspective, it is possible that the fact that a trade mark jointly owned by a number of proprietors could be assigned to third parties by majority, and not necessarily unanimous, agreement might have a bearing on subsequent events affecting the licence to use the mark (in particular, the revocation of that licence). ¹⁶
- 39. The company Legea has put forward a plea of inadmissibility, arguing that EU law does not include any rules governing the conditions under which the intention of the joint proprietors of a trade mark is formed, both for granting a licence for use by a third party and for the withdrawal of that licence.
- 40. The decision to refer suggests that it is far from clear to the Corte suprema di cassazione (Supreme Court of Cassation) that EU legislation is capable of resolving the issue under discussion. It is because it harbours uncertainties in that regard that that court has referred its questions.
- 41. In those circumstances, the questions referred for a preliminary ruling not only benefit from the presumption of relevance ¹⁷ but are also appropriate for the purposes of an interpretation of provisions of EU law by the Court of Justice in order to determine whether or not those provisions are applicable to the main proceedings.

C. First question referred

- 42. The referring court asks whether, where a trade mark is owned by a number of joint proprietors, the provisions of EU trade mark law permit the assignment of use of that trade mark, free of charge and for an indefinite period, to be decided by a majority or whether, on the other hand, unanimity is required.
- 43. Underlying that question are issues which have concerned legal experts since Roman law. The joint ownership of property, whether ownership is joint or joint and several, the majorities required for the adoption of decisions based on their degree of importance to the jointly owned property or the length of time their effects will last, and the majorities for approving acts to administer or dispose of joint property are questions which have not always received the same answers.¹⁸

¹⁶ In this specific instance, the decision to assign the mark was taken by all the joint proprietors, but subsequent dissent may have an effect in situations where the licence could have been granted by majority consent.

¹⁷ Judgments of 6 October 2021, Consorzio Italian Management and Catania Multiservizi (C-561/19, EU:C:2021:799, paragraphs 34 and 35), and of 6 October 2022, Contship Italia (C-433/21 and C-434/21, EU:C:2022:760, paragraph 24).

Over the centuries, the joint ownership of property has been transformed significantly with the development of legal persons (or other, similar corporate structures which do not have legal personality) as items of property having the capacity to act. The rules, laid down in articles of association or in legislation, governing the different types of legal person usually make provision for the majorities required to adopt decisions like those at issue here.

44. EU trade mark law has maintained a significant (and cautious) silence on the joint proprietorship of trade marks, which must comply with the relevant national legislation. That is what I shall attempt to explain in the considerations below, both with regard to EU trade marks and national trade marks that are the subject of harmonisation. I shall begin by examining the possibility of both types of trade mark being the joint property of several persons.

1. Joint proprietorship of EU trade marks

- 45. EU trade marks constitute a type of industrial property. In accordance with Article 5 of Regulation No 40/94, 'any natural or legal person, including authorities established under public law, may be the proprietor of [an EU] trade mark.' 19
- 46. Regulation No 40/94 provides that an EU trade mark may be owned by a number of joint proprietors. That provision is given explicit expression in a number of articles of the regulation:
- Article 16²⁰ recognises the EU trade mark as an object of property and provides, in paragraph 3, for the situation where 'two or more persons are mentioned in the Register of Community trade marks as joint proprietors' (italics added).
- Article 21(2),²¹ governing insolvency proceedings, provides for 'the case of joint proprietorship of [an EU] trade mark'. In that case, the criterion for determining the insolvency proceedings in which that mark may be involved ²² 'shall apply to the share of the joint proprietor'.

2. Joint proprietorship of national trade marks

- 47. Unlike EU trade marks, Directive 89/104 contains no explicit references to the joint proprietorship of a [national] trade mark. However, that does not mean that this is excluded by the directive.
- 48. National legislatures are free to formulate the rights relating to proprietorship of a trade mark. Directive 89/104 does not place any conditions on the actions of national legislatures and, as a consequence, it neither prohibits nor requires national legislation to permit a national mark to be an object of joint property.
- 3. Is the unanimous or majority agreement of joint proprietors required to assign the use of a mark to a third party?
- 49. Having accepted that it is possible for joint proprietors to hold a trade mark in joint ownership, the question arises of how they are to form common consent to assign the use of that mark to third parties by means of a licence (or, possibly, to revoke that licence).
- 50. Again, I shall deal separately with the rules governing EU trade marks and those governing national trade marks.

¹⁹ Corresponds to Article 5 of Regulation 2017/1001.

²⁰ Corresponds to Article 19 of Regulation 2017/1001.

²¹ Corresponds to Article 24 of Regulation 2017/1001.

²² Which will correspond to 'those opened in the Member State in the territory of which the debtor has his centre of main interests.'

(a) EU trade marks

- 51. In accordance with Article 22(1) of Regulation No 40/94,²³ '[an EU] 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 [European Union]. [Such] licence may be exclusive or non-exclusive.' ²⁴
- 52. Under Article 97(2),²⁵ 'on all matters not covered by [Regulation No 40/94] the [EU] trade mark court shall apply its national law'.
- 53. Regulation No 40/94 does not stipulate the conditions applicable to the conclusion, or termination, of licence agreements. That silence implies that those conditions are to be governed by national law, both where the EU trade mark is owned by a sole proprietor and where it is shared by several persons. ²⁶
- 54. Indeed, as the Commission points out,²⁷ the relevant national law is applicable to anything that is not directly governed as an 'object of property' by the EU legislation on the European Union trade mark.

(b) National trade marks

- 55. While the foregoing considerations are applicable as regards the legislation laying down the rules on EU trade marks, they will apply *a fortiori* to an area which is less closely regulated, like the harmonisation of national trade marks pursuant to Directive 89/104.
- 56. Other than stipulating that a trade mark confers exclusive rights therein on the proprietor (Article 5) and that a trade mark may be licensed (Article 8), Directive 89/104 does not lay down rules governing matters related to the joint proprietorship of trade marks or the decision to grant a licence.²⁸
- 57. In that context, in order to determine how a collective intention should be formed to assign the use of a jointly owned trade mark, reference must be made, first of all, to national legislation. Those provisions may, in turn, refer to any agreements between the joint proprietors. In the alternative, the general civil law provisions of each Member State will apply.²⁹

²³ Corresponds to Article 25(1) of Regulation 2017/1001

²⁴ For its part, it is apparent from Article 26(3)(e) of Regulation 2017/1001 that a licence may be granted for a fixed period or an indefinite period. Regulation No 40/94 was silent on that point.

²⁵ Corresponds to Article 129(2) of Regulation 2017/1001.

In point of fact, the referring court shares that view. In its order for reference (paragraph VI), the referring court states that 'there are no references in Regulation [2017/1001] with regard to the rules governing how joint ownership may be exercised'.

²⁷ The Commission's written observations, paragraph 27.

²⁸ Articles 5 and 8 of Directive 89/104 correspond, respectively, to Articles 10 and 25 of Directive 2015/2436.

²⁹ In accordance with the Italian legislation (Article 6(1) of the Industrial Property Code), the rights of joint proprietors of a trade mark are to be governed, except as otherwise established by conventions with rules to the contrary, by the provisions of the Civil Code relating to joint ownership, to the extent they are compatible.

(c) The effectiveness of EU law

- 58. The principles of sincere cooperation, primacy and effectiveness of EU law require that national law, including the rules governing the joint proprietorship of trade marks, must safeguard the full effects of EU law. 30
- 59. In these proceedings, no factor mentioned in the request for a preliminary ruling or in the observations lodged with the Court of Justice reveals that the rules governing the joint proprietorship of marks in Italy preclude or make excessively difficult the exercise of the rights conferred by EU legislation.

D. Second question referred

- 60. The Corte suprema di cassazione (Supreme Court of Cassation) wishes to know whether:
- EU law precludes '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, [from] unilaterally [withdrawing] from that decision';
- or, on the other hand, it is compatible with EU law for 'the joint proprietor [not to be] bound in perpetuity by the original intent, such that he or she could retract, with the resulting effect on the act of assignment'.
- 61. The question as worded does not identify which provision of EU law would be applicable, merely referring to 'the principles of EU law' (without specifying them). In so far as, where they exist, those principles have been reflected in the provisions of Regulation No 40/94 and Directive 89/104 (or, where applicable, Regulation 2017/1001 and Directive 2015/2436), the answer to that question must be based on those provisions.
- 62. In connection with Directive 89/104, the Court recognised that the proprietor of a mark who had granted a licence to use that mark to a third party could revoke that consent.³¹ That declaration can be readily applied to a joint proprietor of a trade mark (that is, to the proprietors of a jointly owned trade mark).
- 63. However, as with the conditions for assigning the right to use a mark to a third party, EU law is silent on how the decision to revoke or withdraw the licence to use a mark is to be adopted in the case of trade marks that are jointly owned. That decision is a legal act but, I stress, EU law does not lay down the conditions governing its adoption by joint proprietors.
- 64. It is, therefore, for national law to lay down rules governing the specific features of agreements to revoke or withdraw a licence to use a jointly owned trade mark. The arguments set out above regarding the formation of collective consent to grant a licence to use a national mark or an EU mark are applicable *mutatis mutandis* to such revocation or withdrawal.

³⁰ Judgment of 19 October 2017, *Raimund* (C-425/16, EU:C:2017:776, paragraphs 40 and 41).

Judgment of 19 September 2013, *Martin Y Paz Diffusion* (C-661/11, EU:C:2013:577, paragraph 62) and operative part. However, that judgment permits a national court to 'impose a penalty on the proprietor of a trade mark or order it to pay compensation for the damage suffered if it finds that that proprietor has unlawfully withdrawn the consent by which it allowed a third party to use signs which are identical to its marks' (paragraph 61).

V. Conclusion

65. In the light of the foregoing considerations, I suggest that the Court of Justice should reply to the Corte suprema di cassazione (Supreme Court of Cassation, Italy) as follows:

Article 5 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and Article 9(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, together with, where relevant, the corresponding provisions 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 and of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark

are to be interpreted as meaning that in the case of joint proprietorship of a trade mark, the formation of common consent on the part of the joint proprietors to grant a third party a licence to use a national or a European Union trade mark, or to terminate that licence, is governed by the applicable provisions of the Member State.