



Brexit - Deal or no deal – what does this mean for your IP?

In March this year the UK and the European Commission issued a joint working document which includes guidance on IP issues post Brexit which Barker Brettell commented on [here](#). In that document there is provision for the automatic extension of any granted EU rights to the UK post Brexit and for an application process for the continuation of any pending EU applications into additional UK applications. This joint working document made it clear that although the UK is due to leave the European Union on the 29th March 2019, provided that the UK and the EU arrive at an exit agreement there will be a transition period through to the 31st December 2020, throughout which EU law will still apply within the UK.

On the 24th September, mindful of the increasing speculation regarding a 'no deal' Brexit, the UK government issued a number of technical notes. The UK government made it clear that it will make unilateral provision for the continuation of all EU rights in the UK if no deal is struck and that those provisions will mirror the joint working document. In such a 'no deal' scenario however, the transitional provisions taking us to the end of 2020 will not apply. Rights would be impacted as of the exit date.

It could be 'business as usual' for IP until the end of 2020 and indeed patents are unaffected by Brexit, however businesses need to be aware of the implications going forward and to consider what action can be taken now to minimise any risks and potential costs.

So what would a 'no deal' Brexit mean for EU rights holders?

Registered European Union Trade marks (EUTMRs) and Registered Community Designs (RCDs)

Deal or no deal, existing registered EU rights will automatically come into force in the UK as if they had been applied for and registered under UK law, as daughter rights arising from the original EUTMR/RCD.

In the event of a 'no deal', the UK technical note states that registered rights holders will be advised that a new UK right has been granted. Rights holders that do not want to have a UK right will have the opportunity to 'opt out'. At this stage it is not clear whether some response is required to maintain the new UK right or if no response will be assumed to be 'opting in'. Either way it is likely that there will be a large amount of correspondence from the UK Intellectual Property Office (UKIPO) to existing rights holders, as according to the European Union Intellectual Property Office (EUIPO) registered EUTMs in force amount to over 1.2 million. There is no clarification of any processes as yet but it is clear that proactive monitoring of the new UK rights that will be created will be important, particularly for any rights with renewal dates falling due around the relevant period.

EUTM/RCD renewals post 29th March 2019 in 'no deal' Brexit

Currently there is no clarity on the position of renewal fees where the renewal fees on any EUTMR/RCD due post-Brexit are paid pre-Brexit, i.e. whether separate UK renewal fees will then be payable. As EUTM/RCDs can be renewed up to six months in advance, there is a possibility of avoiding separate UK renewal fees if any EU renewal fees due up to and including the 29th September 2019 are paid in advance and by midnight CET on the 29th March 2019. Rights holders are encouraged to review 2019 renewals as soon as possible.

Pending EU Trade mark and Design Applications

In contrast to the position for registered EUTM/RCDs, there will be no automatic right or application that will come into effect in the UK for any EU trade mark or design applications still pending when the UK leaves the EU. In a 'no deal' Brexit, the proprietor of a pending application will have nine months from exit day (29th December 2019 deadline for action unless the 29th March 2019 deadline is extended) to apply for an equivalent right in the UK. As the 29th December 2019 is a Sunday it will be interesting to see if the deadline will roll over to the next open day or be strictly applied. The EU filing date can be retained for the UK application.

Claims to an earlier priority will be recognised for any application filed within this nine month period following the UK's exit. Claims to UK seniority recorded on the corresponding EUTM application will similarly be maintained and recognised. The original UK right giving rise to the seniority claim will not be reinstated, rather the rights will be maintained and recognised under the daughter UK application. [As a technicality, seniority rights do not take effect until the original national right expires, so it is possible in some circumstances that the original UK right may still exist and that clients will be able to choose how to handle those rights going forward.]

Of particular note - the UK technical note states that applicants of pending applications will **not** be advised of the opportunity to apply for an equivalent UK right, i.e. no formal notification will issue, and so it will be necessary for applicants to ensure that their representatives are proactively monitoring the deadline for action. We will of course be doing that for all of our clients.

Routine EUTM applications that are unlikely to meet with objection may currently secure registration in advance of the 29th March date, although we are getting close to a cut-off point as the process can take five to six months at best. There is a Fast-Track system available at no extra cost, however applicants must use pre-defined and pre-accepted specification of goods or services terms in order to use that system.

The UK daughter application can be filed in the UK under existing UK laws and using the existing forms and fees structure, although the forms will need amending in order to provide for the details of the corresponding EU application. EU design applications benefit from little or no examination and hence swift registration. Therefore there is unlikely to be any need to file separate EU & GB applications until at least the new year. Applicants of pending EUTM applications should however budget for the additional cost of a national application in the UK if the UK market is important.

The trade mark and design teams here at BB are actively reviewing new application instructions to consider and flag any potential timing issues and consequences, also providing proactive portfolio advice.

Oppositions, invalidation and non-use actions

Any of the above actions pending at exit day will be impacted. In certain circumstances, for example where an EUTM opposition has been based on a prior UK registration or common law right, the basis for the opposition may fall away. In addition, currently no provisions or details have been shared on the handling of pending, opposed EUTM applications and the impact of any outstanding opposition on any daughter UK application filed within the nine month period following exit day.

Outstanding proceedings should be reviewed at the earliest opportunity and consideration given to the impact of timing and resolution outcomes. Again our teams are already reviewing matters

under our care.

Madrid and Hague Agreements

The UK is now a member of both the Madrid and Hague agreements in its own right so applicants will be able to continue to use these systems. The relevant technical note states that the UK is working with WIPO to provide for continued protection in the UK from exit day onwards of registered trade marks and registered designs which designate the EU. Provisions will also need to be made for pending EUTM designations. No details are provided and so this is something which we will continue to monitor.

Unregistered Community Designs

The technical note states that all unregistered Community Designs (UCDs) which exist at the time that the UK leaves the EU will continue to be protected and enforceable in the UK for the remaining period of protection of the right. UCDs coming into existence before exit day (assuming that it is 29 March 2019) will be protected in the UK and the EU until the end of December 2022.

The government states that a new unregistered design right will be created in the UK which will mirror the characteristics of unregistered community design rights. This will mean that designs which are disclosed in the UK after the UK exits the EU will also be protected in the UK under the current terms of the unregistered Community Designs or very similar provisions. This will be a new right called a supplementary unregistered design right (SUDR). This is a positive move for protection of designs which are important to certain industries, such as the fashion industry for example.

It is intended that existing UK unregistered design rights will continue to exist and be effective for existing and new UK unregistered designs. UK unregistered design rights (UDR) come into effect automatically and can last for up to 15 years from the disclosure. UK UDRs protect the shape and configuration of a product.

The new SUDR will be a valuable right for UK designers as it will also protect aspects such as surface decoration and product shape. The SUDR will come into effect automatically and provide protection for three years presumably from the date of disclosure if the SUDR is to mirror the provisions for UCDR. It is not clear whether EU designers will be qualifying persons for SUDR as we do not know the provisions that will be in place for qualification for SUDR and whether these will be similar to UCDRs or UK UDRs.

Unregistered Community Design rights may be available to UK designers first disclosing in the UK after exit day depending on the market and whether the disclosure is such that the event could reasonably have become known to the circles specialised in the sector concerned and operating in the Community.

In future some thought may need to be given to the location of first disclosure of a design if protection of surface decoration in particular is important.

The full technical note on trade marks and designs can be read [here](#).

Patents

Patents are not affected by Brexit, there is no change in the current patent position. The European Patent Office (EPO) system of central examination and validation in contracting states is not a creation of EU law and the UK will remain party to the agreement and system governing European patents.

Supplemental Protection Certificates relating to patented pharmaceutical products and agrochemicals which provide for an additional period of protection after a patent has expired are however affected. In this respect the UK has confirmed that the relevant EU legislation will be retained and in practice this will be through domestic implementation.

The full technical note on patents can be read [here](#).

Copyright

Many copyright related rights are in fact the result of international treaties and are not dependant on the UK's membership of the EU. There is however a body of EU law that goes beyond these treaties which includes cross-border mechanisms between member states. These include sui-generis rights, satellite broadcasting, orphan works and collective management of copyright.

The UK appears committed to ensuring that the scope of protection for copyright works remains unchanged, but recognises that the EU may not reciprocate. Consequently UK rights holders or 'users', such as broadcasters, may find themselves without rights and in need of individual permissions from individual member states, or liable to copyright infringement claims.

The full technical note on copyright can be read [here](#).

Geographical Indications

The UK has indicated that in the event of a 'no deal' Brexit separate GI schemes will be established which will broadly mirror the EU schemes, be WTO TRIPS compliant and which will aim to be no more burdensome to producers than existing schemes. In addition, it is expected that existing UK GIs will continue to be protected under the EU's GI schemes, although UK producers may become 'third country' producers and need to reapply. A new UK logo will be introduced to replace the EU logo, deal or no deal.

The full technical note on GIs can be read [here](#).

Exhaustion of Rights

In a separate note the UK government has indicated that placing a product on the market in the EEA will be considered to exhaust any rights in the UK, i.e. goods will be able to move freely from the EEA to the UK. To date there has been no indication that the reverse is true and the understanding is that goods first marketed in the UK will not exhaust IP rights in the EEA and can be prevented from market entry by rights holders.

The full technical note on exhaustion of rights can be read [here](#).

Withdrawal Agreement

It is hoped that a withdrawal agreement will be signed and that consideration of these issues can be postponed until the end of 2020.

Keeping you posted

It is to be expected that additional information will be issued on an increasingly frequent basis as we get closer to exit day, or until we have clarity on a deal or extension of the Article 50 period. Our primary focus as always is on supporting and advising clients and we will continue to provide tailored advice and guidance on an individual portfolio basis as we have been doing to date.

Questions can of course be raised at any time with the attorney team responsible for your portfolio and in addition questions of a more general nature can be directed to [**brexit@barkerbrettell.co.uk**](mailto:brexit@barkerbrettell.co.uk).