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BREXIT: IMPLICATIONS FOR IP RIGHTS

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Abstract. This presentation covers the international context of intellectual property (IP) rights framework and the impact of Brexit on this area of law. As it is still unknown, under which terms and when the UK leaves the EU, both the terms of the draft Withdrawal Agreement and the “No Deal” plans have been considered, as well as jurisdiction and enforcement issues following exit. The presentation contains a checklist of action points for IP practitioners and IP rights owners who might be affected by Brexit.

Keywords: IP rights, Brexit, draft Withdrawal Agreement, No Deal Brexit, EU trade mark registration, EU design registration, EU wide unregistered community design right.

1. The International Context. IP framework is underpinned by many long-standing international agreements, with the same or very similar rights in many territories, including: Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) administered by the World Trade Organisation for all forms of IP; The Paris Convention for the Protection of Industrial Property; The Madrid Agreement and Protocol for trade marks; The Berne Convention for copyright; The European Patent Convention and The Hague Agreement for the International Registration of Industrial Designs. It is also underpinned by some international agreements relating to the enforcement of court decisions and arbitral awards, in particular the New York Convention on the enforcement of arbitral awards. The UK is a party to these agreements and has various other agreements, notably with British Commonwealth countries, so the underlying fundamental principles will remain in place.

Application for International trade mark Registrations, designating the UK will still be available through the Madrid Protocol. Which allows to make one central trade mark application at the World Intellectual

al Property Office (WIPO) designating up to 199 countries. International design protection would also be available through the Hague System for the International Registration of Industrial Designs, which provides a practical business solution for registering up to 100 designs in 70 contracting parties through filing one single international application (application under the Hague Agreement on designs is available to file designs in the UK since 18th June 2018).

In a “No Deal” scenario the UK government has confirmed continued protection in the UK of international trade mark and design registrations designating the EU as new UK registrations, not UK designations. If the UK leaves the EU under the terms of a Withdrawal Agreement, the UK will take measures to ensure continued protection in the UK of international trade mark and design registration.

Moving forward (after Brexit), these international registration processes might be more cost effective and administratively convenient for applicants seeking protection not only in the UK and EU, but on a global basis.

2. EU framework: the effect of Brexit on IP. The UK remains a Member State of the EU until formal withdrawal. EU law will continue to have an effect in the UK until the UK actually leaves the EU or until the end of the transition period (31 December 2020, or later). Although national IP rights are unlikely to be affected post-Brexit, pan-European IP rights will be affected, particularly trade marks, designs, geographical indications of origin and plant variety rights.

New EU trade mark and design filings post-Brexit will not extend to the UK (they will be limited to the remaining 27 EU countries), which means that trade mark and design owners will need to seek national protection in the UK for their trade marks and designs post-Brexit.

EU wide unregistered community design right (UCDR) will no longer cover the UK. UCDR is significant for short life designs, e.g. fashion. It offers the same test of protection as registered community designs, but lasts only 3 years. The benefit of UCDR covering the EU27 will remain available to UK and other non-EU residents and corporations, but subject to designs being first made available in the EU (rather than the UK). Existing UK unregistered design right does not provide the same protection as UCDR as it protects 3D designs, but not 2D elements of designs

(i.e. does not protect surface decoration, packaging images or logos), although it lasts for 10–15 years (depending on first marketing).

The UK Intellectual Property Office (UK IPO) is ready to act to protect the rights of trade mark and design owners, even if there is no deal. The following table compares the situation planned for in the Withdrawal Agreement with the No Deal plans that have been confirmed by the UK IPO.

IP Right – EU Trade Mark Registration

Withdrawal Agreement	No Deal
New equivalent UK trade mark rights are created automatically at the end of the transition period (31 December 2020 or an agreed later date)	Comparable UK marks (EU) are created automatically at exit day. Distinguishing “cloned” registrations, the comparable mark number will be the last 8 digits of the EUTM number with a prefix of UK009
No fees	No fees
Unclear whether proprietors will be notified of comparable rights being granted	A notification will be made and guidance given on the UK IPO website that a comparable mark (EU) has been created The proprietor can opt out of ownership e.g. if it has not been used, or made subject of a transaction or proceedings, or for commercial reasons
Filing, priority, seniority and renewal dates the same as for corresponding EUTM	Filing, priority, seniority and renewal dates the same as for corresponding EUTM, so a comparable UK mark claiming seniority as an EU mark will have an effective protection date of the original UK mark from which seniority is claimed
Recognition of genuine use in EU27 countries before end of transition period will support validity of comparable UK right The UK clock is reset and you have 5 years to use in the UK	Confirmation that genuine use in EU27 countries before exit day will support validity of comparable mark (EU) The UK clock is reset and you have 5 years to use in the UK
Cancellation of corresponding EUTM (in proceedings started before end of transition period) means cancellation of comparable right as of same date unless grounds do not apply in UK	UK court may cancel comparable mark (EU) if corresponding EUTM is cancelled in pending UK proceedings

Withdrawal Agreement	No Deal
Comparable right continues to benefit in the UK from reputation acquired in the EU by end of transition period	Reputation of comparable mark (EU) to be treated as encompassing use made in EU27 countries before exit day
Pending applications: the applicant will have nine months from end of transition period to file corresponding UK application with same filing, priority and seniority dates as corresponding EUTM No indication that applicant will be notified of the need to re-file. The usual fees will be payable	Pending applications: nine months from exit day to file corresponding UK application with same priority, seniority, renewal and filing dates as corresponding EUTM. Applicants will not be notified of need to refile and the usual fees will be payable

IP right – EU Registered Community Design (RCD)

Withdrawal Agreement	No Deal
Equivalent UK rights will arise automatically from RCDs registered by end of transition period	Comparable UK rights will arise from RCDs registered by exit day. Prefix designation to be added to EU number to show that it is a “cloned” registration To be known as Re-Registered Designs
No fees	No fees
Unclear whether proprietors will be notified of equivalent rights	Proprietors to be notified of creation of equivalent rights and can opt out
Filing, priority and renewal dates as for corresponding RCD	Filing, priority and renewal dates as for corresponding RCD
Cancellation of corresponding RCD (in proceedings started before end of transition period) means cancellation of comparable right as of same date unless grounds do not apply in UK	Position not yet confirmed but likely to be the same as under the Withdrawal Agreement
Duration of equivalent right at least as long as duration of corresponding RCD (up to 25 years)	Duration of comparable right at least as long as duration of corresponding RCD (up to 25 years)
The applicant will have nine months from end of transition period to file corresponding UK application with same filing and renewal dates as corresponding RCD application No indication that applicant will be notified of the need to re-file. The usual fees will be payable	The applicant will have nine months from exit day to file corresponding UK application with same filing and renewal dates as corresponding RCD application Applicants will not be notified of need to refile and the usual fees will be payable

IP right – Unregistered Community Design Rights (UCDR)

Withdrawal Agreement	No Deal
Equivalent UK rights mirroring UCD right arise automatically from UCD rights subsisting at the end of transition period, and have term at least as long as that of corresponding EU right	Equivalent UK rights arising from UCD rights subsisting on exit day, and have term at least as long as that of corresponding EU right (will be known as “continuing unregistered Community designs”)
	UK to create new “supplementary unregistered design” right offering same terms of protection as UCD right (i.e. 3 years), for designs first disclosed in UK after exit

3. Jurisdiction and enforcement post exit. Following Brexit UK courts will lose the ability under EU legislation to grant enforceable pan-EU injunctive relief for infringement of EU IP rights and EU Courts will have no jurisdiction over infringements in the UK (but in some instances the Unified Patent Court will have jurisdiction for European patents). For this reason, infringement proceedings may need to be brought separately in the EU and in the UK.

The UPC will have jurisdiction for European patents. The UK will no longer be bound to follow decisions of the Court of Justice of the European Union, but its historical rulings will carry the same weight as those of the British Supreme Court, meaning they will remain part of British law, until there is a demand or inclination and the time to amend or repeal them.

4. Action points for IP practitioners and IP rights owners:

1. If it is not possible to guarantee that the registration of the trade mark, or design will be completed by the exit date or the end of the transition period, or if problems are anticipated, filing identical UK and EU applications should be considered. It is worth diarising nine months from exit day / the end of the transition period to ensure all necessary pending applications are re-filed in the UK (note the potential extra costs). The EU has not agreed to notify applicants with pending EU applications, so the IP rights owners and practitioners will have to keep the application process under review.

2. Consider whether use of a trade mark / design is limited to just the EU27 or just the UK and whether it should be expanded to safeguard the registration.

3. Check on renewal dates of EU trade mark and design registrations. There could be additional UK renewals due immediately after exit day and it is not possible to renew the EU right early to escape this. UK IPO has agreed to waive late fees for 6 months (but not the renewal fees).

4. Check if there are any licences or security interests recorded against an EU trade mark registration and whether they should be recorded against the comparable UK registration. The Regulations provide that licences of a Registered EU Right, which applies to the UK will continue to apply to the UK in respect of the “corresponding registered UK right”. However, the Regulations will not affect the position outside the UK.

5. Review any ongoing proceedings in the UK courts and consider whether similar proceedings need to be brought in the EU to ensure EU wide relief. Review any ongoing EU opposition and invalidation proceedings because, if they are based solely on a UK right, that right will probably not be a valid prior right after exit.

6. Check if your representatives will continue to have rights to practise before the EU IPO, and, if necessary, arrange a hand over of your matters to their counterparties in the EU.

7. Check if existing contracts are vulnerable to mis-interpretation and whether clauses relating to jurisdiction, governing law and territory should be amended. For new contracts, consider using an arbitration clause or other ADR, as arbitration is unaffected by Brexit and the UK is a party to the New York Convention.