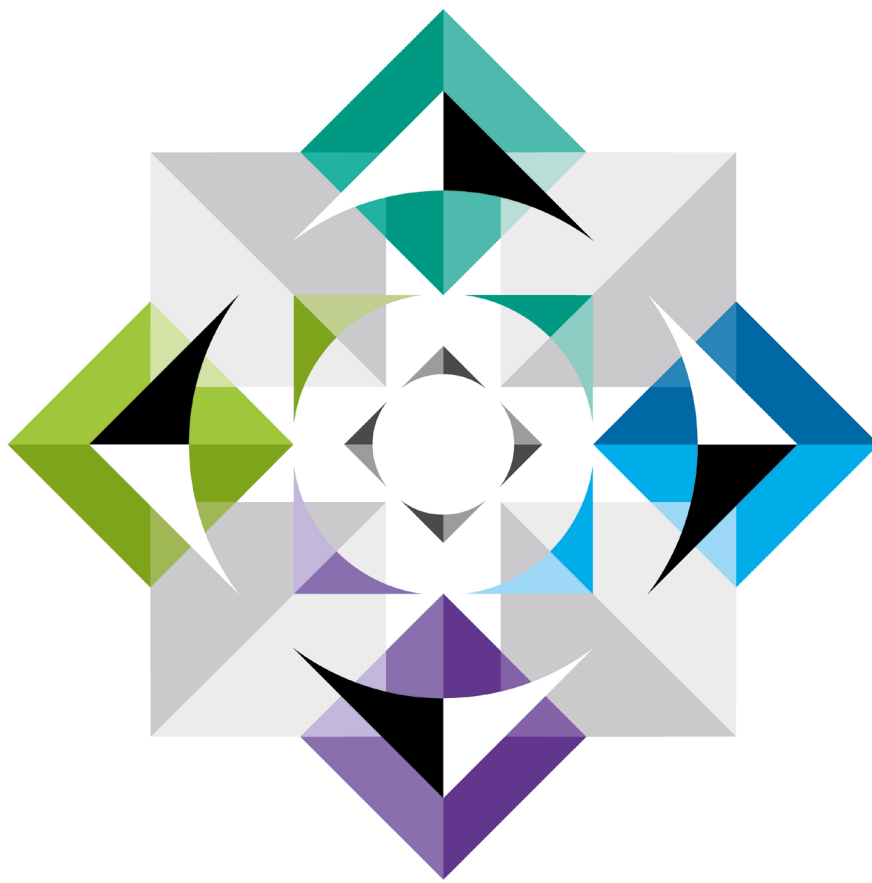


Brexit: Your IP Questions Answered





Introduction

Brexit has resumed its position at the forefront of the mainstream news cycle in recent weeks. The UK has left the EU, but the legal effects of this change will not be implemented until the end of the transition period on 31 December 2020.

The UK government has been clear that it will not request an extension of this period, which means significant changes to both UK and EU intellectual property rights will occur on 1 January 2021.

It is therefore more important now than ever to get to grips with what Brexit means for your registered EU rights. We have set out below to answer the key questions relating to how the UK's departure from the EU will affect those rights.

1. What will happen to my EU trade mark (EUTM) or registered Community design (RCD)?

- Your EUTMs and RCDs will no longer provide protection in the UK as of 1 January 2021. However, all proprietors of EUTMs and RCDs in force as of 1 January 2021 will be given a corresponding UK right by which protection of the relevant marks and designs will be continued in the UK.
- All filing and priority dates for the newly-created UK rights (and, if relevant for EUTM, seniority dates) will be the same as for the corresponding EU rights.
- The terms and renewal dates will also stay the same.
- The creation of the corresponding UK rights will be automatic, and at no additional charge.
- A UK-only service address will not be necessary, at least for the first three years of the corresponding rights.
- Due to the volume of new rights being created (1.4 million trade marks and 700,000 design rights) a certificate will not be provided, but will be available from the UKIPO if/when needed.
- The new UK rights that arise automatically on 1 January 2021 will in certain important respects retain links to their corresponding EUTMs and RCDs, for example:
 - If your EUTMs or RCDs are subject to ongoing revocation or invalidity proceedings on 1 January 2021, a resulting revocation or invalidation (in whole or part) will also feed through to the corresponding UK rights (which may thus be revoked or wholly or partially invalidated) unless it can be shown that the grounds of revocation or invalidity are not applicable in the UK;
 - Injunctions already in force covering the use of your EUTMs and RCDs in the UK will also have effect to protect the corresponding UK rights;
 - Licences and security interests granted over your EUTMs and RCDs potentially

apply also to the corresponding UK rights.

2. What if my EUTM or RCD registration is still pending on 31 December 2020?

- Pending EU applications will not be converted into the type of corresponding UK rights discussed above.
- But there will be a nine-month grace period within which to apply for a standard UK trade mark or UK registered design with the benefit of the filing/priority dates of the pending EU rights.
- For trade marks, the UK application must be for the same trade mark and the same (or subset of) goods and services as the pending EUTM to benefit from the latter's filing and priority dates.
- For designs, the UK application must relate to the same design as that filed in the pending RCD application to benefit from the latter's filing and priority dates.

3. What if I want to register my trade mark or design after the transition period?

- For protection covering the full area of the EU plus the UK, from 1 January 2021 you will have to file two applications: one to the EU Intellectual Property Office (EUIPO) and one to the UK Intellectual Property Office (UKIPO).

4. What if my EUTM/RCD is subject to EUIPO proceedings, or I have ongoing EUIPO proceedings against a third party EUTM/RCD?

- Where there are ongoing EUIPO proceedings (oppositions, revocations and cancellations) on 1 January 2021, then the critical factor is the territorial scope of the grounds being relied on.
- If such proceedings are based solely on UK rights or grounds (such as an allegation that



the EUTM application should be refused on the relative grounds of a prior UK trade mark or that it is contrary to the UK laws of passing off) then the proceedings against the EU rights will be dismissed as there are no remaining prior rights or grounds within the EU27 for the proceedings to rely on.

- If proceedings are based at least partly on national EU27 rights or where the grounds relate to earlier EUTMs then they will continue in respect of the EU27, but any element that relied on UK rights or grounds will fall away.

5. Invalidity or revocation proceedings against my EUTM/RCD are ongoing; what if it is declared invalid or revoked after the end of the transition period?

- Unfortunately, your corresponding UK rights will in principle also be revoked or invalidated (wholly or partially) in line with rulings against your EU rights.
- However, on notification of the revocation or invalidation of your EU rights, the UKIPO will give you a chance to claim that the grounds of revocation or invalidation are not relevant in the UK. For example, if an EUTM is deemed invalid because of an earlier right in Germany, this should not mean that a comparable UK trade mark is invalid.
- Also, this potential threat to your corresponding UK rights only applies where proceedings are already under way against your EUTM/RCD on 1 January 2021. Proceedings launched against your EU rights after that date will not directly affect your corresponding UK rights, even if your EU rights are revoked or wholly or partially invalidated.

6. What if I forget to renew my EUTM/RCD before 31 December 2020; and what about renewals more generally?

- If your EUTM/RCD has expired within six months before the end of the transition period, a corresponding UK trade mark/

design will still be automatically created, but with “expired” status.

- That corresponding UK right will then be treated as automatically renewed, without any fee payment to the UKIPO, if/when the relevant EUTM/RCD is subject to late renewal at the EUIPO. But if the expired EUTM/RCD is allowed to lapse then the comparable UK right will be removed from the register – it cannot be renewed separately.
- If your new corresponding UK trade mark/design expires within the six months after the end of the transition period, you will have a grace period of six months from the point of expiry to renew your trade mark/design without incurring any late fees. (This is because the UKIPO does not expect to be able to send out the usual renewal reminders during the first six months.)
- Any renewal fees payable after 1 January 2021 will need to be paid separately in respect of both the EU and UK right (i.e. if you pay before 31 December 2020 for the EU right, you will need to pay again for the corresponding UK right).

7. What if I opted to defer publication of my RCD at the EUIPO?

- An RCD the publication of which is deferred on 31 December 2020 will be treated as being equivalent to a pending application, and so will not benefit from a corresponding UK re-registered right.
- However, the holder of a deferred RCD can preserve its earlier filing and priority dates in the UK by filing a standard UK registered design application for the same design within a nine month grace period from 1 January 2021. The application will not be the subject of a substantive examination, because the RCD has already been examined by the EUIPO.
- As there is currently no framework in UK legislation creating the right to defer publication of a registered design, if the RCD is subject to deferment at the EUIPO, and a corresponding UK application is made which

seeks to retain the earlier RCD dates and also requests UK deferment, the situation becomes complex. We would be happy to advise in relation to any specific scenario.

8. What if I don't want a corresponding mark or design to be registered in the UK?

- If you aren't going to use your mark/design in the UK, or if you already have UK registrations and do not want corresponding registrations based upon your EU rights in addition, then you have a couple of options: you could either allow your corresponding UK rights to lapse, or you could choose to “opt out” of the corresponding rights.
- You can only opt out of a UK corresponding right if there has been no UK assignment, licensing or litigation over the corresponding right. You can only opt out after the end of the transition period, but it will have retrospective effect, so that the right is treated as never having existed.

9. What if I haven't been using my EUTM in the UK for the past 5 years?

- A comparable trade mark cannot be revoked purely on the basis of 5 years non-use in the UK from before the end of the transition period; for the period before 1 January 2021, use of the mark in the EU will also count as use of the comparable UK mark.
- The UKIPO will also consider use of your right in the EU prior to the end of the transition period as evidence of acquired reputation. After the 31 December 2020 only UK use will be relevant for acquired reputation.

10. What about exhaustion of rights?

- Any IP right which is exhausted in the EU or the UK on or before 31 December 2020, remains exhausted from 1 January 2021.
- From 1 January 2021, the current position

is that:

- Under EU law, putting goods on the market in the UK will not exhaust IP rights with regards to the EU;
- By contrast, the UK government has said that putting goods on the market in the EU will continue to exhaust IP rights in the UK.
- Given that the approaches of the EU and UK do not match each other, this position is something that may change as a result of trade negotiations or a change in UK government policy. Our Brexit web-pages (see link below) will keep you updated on developments in this area.

11. What happens if I am litigating an EUTM/RCD in a UK court? Will my decision no longer cover the EU?

- The UK courts will no longer be able to decide matters regarding EUTMs/RCDs from 1 January 2021. However, if a case relating to such rights is ongoing in a UK court on this date, it can continue but the decision will be enforceable only in respect of the corresponding UK rights.

12. Can I still apply to have customs in the EU take action against goods that infringe my EU IP rights?

- Yes, it will still be possible to submit a Union application for customs action (AFA) against goods that are suspected of infringing EU-wide IP rights. However, from 1 January 2021 you must submit that AFA in one of the 27 Member States, not in the UK.
- Any current Union AFAs submitted via UK

customs will no longer be valid in the EU (although they will remain valid for the UK, which is setting up a parallel system of customs enforcement). You will need to resubmit the Union AFA via one of the EU27 Member States.

- If you have an existing Union AFA submitted via an EU27 Member State that lists the UK as one of the areas for customs enforcement, this will no longer be valid in the UK after 31 December 2020. It will remain valid for any EU27 customs authorities that it applied to, but you will have to submit a fresh UK AFA for action by the UK customs authorities.

13. As the UK is leaving the EU, does that mean that English is no longer a language of the EUIPO?

- No – English will remain as one of the languages of the EUIPO and an official language of the EU, which means applications can be filed in English and proceedings conducted in English.
- EUTMs can also be rejected/invalidated on absolute grounds on the basis of their meanings in English, and the perception of the English-speaking public in EU27 Member States will also be relevant for the finding of a relative ground of refusal. (But the perceptions of the public in the UK will not be relevant.)

For further information on the impact of Brexit on Intellectual Property Rights more broadly (for example upon unregistered design rights) and also on other areas of business, please visit our Brexit web-pages at <https://www.lewissilkin.com/en/campaigns/brexit/intellectual-property>.

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