

# Brexit: trade marks and designs need to know

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# Timeline

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- UK left the EU on 31 January 2020 - Brexit has politically happened already!
- “Withdrawal Agreement” created transitional period due to end midnight Central European Time, 31 December 2020. In this period, EU law still applies and the UK remains part of the EU design and trade mark system.
- Further extensions? The deadline to apply for an extension passed on 30 June 2020 and the UK Government has stated it will not apply for an extension.

# Overriding IP principles

- From 1 Jan 2021, UK will not be covered by the EU design and trade mark system, including EU designations under the Madrid Protocol (trade marks) and Hague System (designs).
- UK will not be covered by the jurisdiction of the Court of Justice of the European Union ('CJEU') and will not be a member of the European Economic Area ('EEA') or the Single Market of the EU.
- BUT existing EU design and trade mark right owners will not lose any IP protection.
- Brexit does not directly impact the patent registration system. The European Patent Convention is not an EU institution.

# Overriding IP principles



- UK trade mark and design law is based on EU Directives and (apart from the creation of certain new unregistered design rights) will not undergo major alteration before the end of the transition period or immediately after the end.
- Existing precedent case law will apply to the UK after the transition period, but in time case law and practice in the UK will likely diverge.
- Highly likely that any contracts previously covering the EU as defined before 30<sup>th</sup> January 2020 will continue to cover the UK.
- UK courts are likely to be ‘guided’ by decisions of the CJEU, but will not be bound by them. The Supreme Court of the United Kingdom now being the highest court in the UK on all IP matters. UK likely to diverge in time with EU courts.

# Maintenance of IP rights

- At 11pm on 31<sup>st</sup> December 2020 all EU design and trade mark registrations and will be cloned automatically and for free into corresponding UK registrations.
- Same applies to EU designations under International trade mark registrations. The UK cloned right will be a UK registration not a UK designations.
- Number 9 added to front of cloned EU trade mark and design registrations and 8 added to front of cloned EU Designations under International TM and design system.
- All existing priority, seniority and renewal dates will be maintained.
- “Opt-out” available, but can not be applied until 31<sup>st</sup> December 2020 and cannot apply if agreements in place impacting cloned right e.g. a licence agreement.

# Pending rights

- Pending EU design and trade mark applications and EU designations will not be automatically cloned.
- Applicant will have nine months, until 30<sup>th</sup> September 2021, to apply to clone pending EU applications in to corresponding UK applications.
- Usual application costs apply.



Intellectual  
Property  
Office

# Opposition proceedings

- Oppositions pending as of 31 December 2020 based solely on UK rights will be concluded automatically. The opposed EUTM Application will proceed to grant.
- Opponent must then oppose any cloned UK trade mark application at the UKIPO - if the applicant applies to clone before 30 September 2021.
- Oppositions based on EUTMs or IP national rights in the remaining 27 member states will continue to a decision.

# Cancellation proceedings

- Cancellation actions based only on UK rights that are pending as of 31 December 2020 will be concluded automatically.
- For actions based on other rights, if such a decision impacts a cloned UK trade mark application or registration, the UK Government has agreed to implement the decision against the cloned right.
- The applicant for cancellation must apply to the UKIPO to apply the EUIPO Decision to the cloned right. Registrant will have one month to file a 'derogation notice' arguing why that decision should not apply. The UKIPO will then make a decision.
- UKIPO itself or a 3<sup>rd</sup> party can also ask for EUIPO decision to apply to a cloned right.

# Non-use and exhaustion

- Withdrawal Agreement confirms use made of corresponding UK and EU trade mark rights in five period before 31 December 2020 will be taken into account in subsequent non-use revocation actions.
- UK will adopt UK + EEA exhaustion at the end of the transition period - effectively maintaining status quo. BUT, subject to 'consultation' and UK could apply an international exhaustion of rights regime in time.
- EU indicated no change in exhaustion regime. Applies to the EEA only - UK no longer part of EEA.
- Exhaustion relationship between UK and EU will be 'lop sided'.



# Relevant points possibly to licensing issues

- You can not apply to record licences against cloned registrations until 31<sup>st</sup> December 2020.
- UKIPO have extended the time limit to apply to record licences, security interests and the like from 6 months to 12 months.
- May however be wise to record any changes against EU Registrations before 31<sup>st</sup> December 2020 if possible to avoid two sets of recordals.



# Unregistered design rights

- EU Unregistered Design Right which protects shape, configuration, colours, lines and contours will no longer apply to the UK.
- Although no nationality requirement for EU Unregistered Design Right, ongoing debate whether to qualify the design must be first disclosed in EU .
- As UK Unregistered Design Rights only applies to shape and configuration, Brexit creates a 'hole' in Unregistered Design Right protection.
- UK Government to create two new forms of Unregistered Design Right at the end of the transitional period
  - (a) **Continuing Unregistered Design Right** and
  - (b) **Supplementary Unregistered Design Right.**

# Unregistered design rights

## **UK Continuing Unregistered Design Right**

- Design protected in UK as an EU Unregistered Right before the end of transitional period will continue to be protected for the remainder of its 3 year term.
- Established on the basis of disclosure in the UK and EU.
- All Continuing Unregistered Design Right will have expired by 11pm 31st December 2023.

# Unregistered design rights

## **Supplementary Unregistered Design Right**

- Come into force at 11pm 31 December 2020 for designs disclosed for the first time after that date.
- Will mirror scope of the EU Unregistered Right and run in parallel with UK Unregistered Design Right.
- Although no nationality criteria, in contrast to UK Unregistered Design Rights, a Supplementary Unregistered Design Right will only come into force when the design is disclosed for the first time in the United Kingdom or a limited number of qualifying states such as Hong Kong.
- Simultaneous disclosure of designs in UK and EU to qualify for both?

# Practical points

- EU trade mark applications filed now will not to be granted by 31 December 2020. Recommend to file duplicate UK and EU trade mark applications.
- EU design applications granted much quicker, so no need to file duplicate applications yet. BUT, recommend this is done from the end of October 2020 onwards.
- If representing an Opponent in EU opposition proceedings based solely on UK rights, push the proceedings to a decision or resolve the opposition with a settlement as quickly as possible before 31 December 2020.

# Practical points

- Conversely, if representing an Applicant in EU opposition proceedings based solely on UK rights, delay the proceedings as much as possible!
- From October, little point in opposing EU trade mark applications based on UK only rights. Application won't be granted by 31 December anyway. Wait and oppose the UK clone right if applicant applies for one.
- For application advertised before October, still consider opposing. Will force the application to be pending at end of transitional period. Applicant may then re-consider cloning in UK.

# Practical points

- Push UK TM applications to advert as quickly before 31 December 2020 - avoid owners of cloned UK rights being notified.
- If EUTM renewal date falls after the 31 December 2020, UK cloned registration must be renewed separately. Take that in account in calculating renewal costs.
- Cloned UK trade mark registrations may have greater value than national filed registrations.
- Bring forward first disclosure of any designs to gain pan EU Unregistered Rights and UK Continuing Unregistered Design Rights.

# Questions?

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