



Impact of a 'no-deal' BREXIT on Trade Marks and Designs

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In the event of a 'no-deal' BREXIT what is the position of the UK Government in relation to EU Trade Marks, International Trade Mark Registrations designating the EU and Registered Community Designs?

The UK Government will ensure that the property rights in all existing registered EU trade marks and registered Community designs will continue to be protected and enforceable in the UK by providing an equivalent UK-registered trade mark or design.

Right holders with an existing EU trade mark or registered Community design at the date of the UK's exit from the European Union will be granted a new UK equivalent right, which will come into force on the date of the UK's departure and benefit from the same filing date as the original EUTM/registered Community design.

The UK Government has indicated that the new UK right will be provided with minimal administrative burden, which suggests that no official fee will be payable by the trade mark proprietor. The trade mark or design will then be treated as if it had been applied for and registered under UK law. Consequently, the newly-granted trade marks and designs will be subject to renewal in the UK, can form the basis for proceedings before the UK Courts and the UKIPO and can be assigned and licensed independently from the EU right.

The same provisions will apply to international registrations designating the EU filed with the World Intellectual Property Organisation ("WIPO"). The UK's approach will ensure that there is continued protection in the UK from 29 March 2019 onwards for trade marks and registered designs (filed through the Madrid and Hague Systems, and designating the EU as the area where they apply).

Please note that it will be possible for the holder of the original EU right to opt-out if it does not want to receive a new comparable UK registered trade mark or design.

What about Unregistered Community Designs?

The UK Government will ensure that all unregistered Community designs which exist at the point 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.

In addition, we understand the UK will create a new unregistered design right in UK law which mirrors the characteristics of the unregistered Community design. Accordingly, designs that are disclosed after the UK's exit from the EU will also be protected in the UK under the current terms of the unregistered Community design. The new right will be known as the supplementary unregistered design right.

Those UK unregistered design rights which exist at the point of exit will continue to be protected and the UK unregistered right will continue to exist for designs first disclosed in the UK.

What if I have a pending application for a trade mark at the European Intellectual Property Office or through WIPO as an International Trade Mark designating the European Union?

Proprietors of applications for EUTMs, IRs designating the EU and Registered Community Designs that are pending at the date of exit will be able to re-file at the UKIPO under the same terms as the



'UK equivalent right' discussed above, using the normal application process for registered trade marks and registered designs in the UK.

For a period of 9 months from the date of exit, the UK Government will recognise filing dates and claims to earlier priority and UK seniority recorded on the corresponding EU application. Right holders pursuing this option will be required to meet the cost of re-filing the application in accordance with the UK application fee structure.

What is the recommended strategy in relation to pending Trade Marks and Registered Community Designs prior to 29 March 2019?

Any EUTM and Registered Community Design applications that do not proceed to registration prior to 29 March 2019 (should no extension to that period be agreed) should be re-filed with the UKIPO to benefit from protection as a 'UK equivalent right'. The application should be re-filed within 9 months of the UK leaving the EU (i.e. before 29 December 2019) in order to claim the priority/filing date of the original EU application.

What is the recommended strategy in relation to registered Trade Marks and Registered Community Designs?

Given that the UKIPO will automatically provide the proprietor of the registered EU right with an equivalent UK right, the proprietor is not required to take any further steps. In view of the significant administrative work that the UKIPO will be required to undertake, we would, however, recommend appropriate due diligence in relation to the client's existing EU trade mark portfolio to ensure the relevant rights have been accurately transferred as UK rights.

What is the recommended strategy in relation to unregistered designs?

The UK Government will ensure that all unregistered Community designs which exist at the point 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. Accordingly, no additional action is required.

As discussed above, the UK will create a new unregistered design right in UK law which mirrors the characteristics of the unregistered Community design. This means that designs which are disclosed in the EU after the UK exits the EU will also be protected in the UK under the current terms of the unregistered Community design. This new right will be known as the supplementary unregistered design right.

What is the likely position if I have pending proceedings before the EUIPO based on a UK Trade Mark?

The UK will remain a party to a number of international agreements which underpin trade mark law, such as the Paris Convention.

As such, we anticipate that it may remain possible for applicants who have filed for a registered UK trade mark to subsequently claim the priority of that application for a trade mark registration in the EU for an extended period beyond 6 months. It may therefore be possible to suspend existing opposition proceedings which are based on a UK application/registration, pending an application for an equivalent EU mark claiming priority of the UK mark.

However, at present the position is uncertain and we therefore await clarification as to the EUIPO's approach.

What is the likely position if I have pending proceedings before the UK IPO (reliance on EU Trade Mark Application)?

Proceedings commenced prior to 29 March 2019

As per the UK Government's guidance, the Proprietor of an EU application will need to re-file for a 'UK equivalent right' within 9 months of the UK's exit date in order to benefit from the filing date of the original EU application. As a result of this provision, the rights holder will still possess an "earlier right" in the UK for the purpose of the proceedings in which the EU application was originally cited.



We anticipate that where an opposition is based on an earlier EU application, the proceedings will be suspended by the UKIPO until 29 December 2019 (giving the proprietor the permitted time to re-file for the 'UK equivalent right' necessary to substantiate the opposition).

What is the likely position if I have pending proceedings before the UK IPO (reliance on EU Trade Mark Registration)?

Proceedings commenced prior to and after 29 March 2019

All EU Trade Mark registrations will automatically convert to 'UK equivalent rights' and therefore we anticipate that existing proceedings before the UKIPO will not be significantly impacted.

However, we await formal guidance from the Government.

General comment regarding legal disputes

The UK Government has not yet confirmed the position regarding the status of legal disputes involving EU / UK trade marks or registered Community designs which are on-going before the UK / EU courts as appropriate at the date of exit. We have been informed that more information will be provided before the point at which the UK exits the EU. However, based on the current information available we make the following comments:

The position concerning agreements involving European Union Trade Marks where the applicable law and jurisdiction is designated as England and Wales?

As, in the event of a no-deal Brexit, the UK will no longer be part of the EU after 29 March 2019, we anticipate that it will no longer have jurisdiction to hear matters involving EUTMs and will not, therefore, be able to sit as an EU Trade Mark Court. As an initial point, we would advise awaiting further clarification from the UK Government and EUIPO before taking further action. However, it may subsequently be necessary for parties to agreements that specify English and Welsh jurisdiction and law to agree to amend the corresponding governing law and jurisdiction clauses to an alternative EU member state.

As a general point, any new agreements being negotiated in the run up to 29 March 2019 that contain provisions regulating the ownership, use and enforcement of trade marks in the EU should consider the scope of the agreement, and, in particular, the definition of the 'European Union' to ensure that the United Kingdom is incorporated. As EUTM Registrations will automatically convert to create 'UK equivalent rights', it is important that the operation of any such agreement is still extended to the United Kingdom.

What is the situation concerning pending conversions of EUTMs to UK Trade Marks? Will it be possible to continue with an opposition on the basis of a UK Trade Mark resulting from the conversion of a EUTM?

Provided that the application for conversion is filed prior to 29 March 2019, we anticipate that the conversion application will be examined in accordance with the UKIPO's current practice, giving rise ultimately to a UK right.

We do not foresee any reason why proceedings before the UKIPO based on a UK conversion should be affected.

In circumstances where a converted UK application/registration forms the basis of an opposition before the EUIPO, we believe that there is a risk the proceedings will be discontinued. Although we await formal guidance from the UK Government and EU, following 29 March 2019 (and assuming no extension to that date is agreed) any UK conversion will (a) no longer be applicable in the EU and (b) not constitute a first filing for the purposes of the Paris Convention, thereby precluding the proprietor from pursuing the possible strategy outlined in (d) above.

What else should we be considering in the lead up to the UK's exit from the EU?

Given the current level of uncertainty, a number of matters remain un-answered and as such we advise monitoring the UKIPO, the EUIPO and the UK Governments announcements in the lead up



and subsequent to the 29 March 2019. This is well illustrated by the degree of uncertainty regarding the application of the use provisions concerning trade marks. For example, in the case of pending proceedings before the UKIPO brought on the basis of a registered EUTM that is vulnerable to non-use, although the proprietor of that mark will automatically be granted a 'UK equivalent right' it is unclear to what extent (if at all) use of the mark outside the UK will suffice to substantiate the opposition.

For more information on the matters discussed in this *Locke Lord QuickStudy*, please contact the authors.

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