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Impact of BREXIT on Trade Marks and Designs

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Following completion of the formalities, the provisions of the Withdrawal Agreement came into effect on January 31, 2020, which means the United Kingdom (“UK”) is no longer a member of the European Union (“EU”). The Withdrawal Agreement provides for a transition period until December 31, 2020 (the “Transition Period”). During the Transition Period, EU law will continue to be applicable within the UK and the UK will continue to be treated as a Member State until December 31, 2020.

This article provides answers to some of the most pressing questions relating to the status of UK and EU trade marks and designs during and after the Transition Period.

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FOLLOWING 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 (“RCD”) will continue to be protected and enforceable in the UK by providing for the creation of an equivalent UK-registered trade mark or design.

Rights holders with an existing EU trade mark (“EUTM”) or Registered Community Design as of December 31, 2020 will be granted a new UK equivalent right, which will come into force as of January 1, 2021 and benefit from the same filing date as the original EUTM/RCD.

The UK government has indicated that the new UK right will be provided with minimal administrative burden, confirming 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 UK Intellectual Property Office (“UKIPO”) and can be

assigned and licensed independently from the EU right.

The same provisions will apply to international registrations (“IRs”) 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 January 1, 2021 onwards for trade marks and registered designs (filed through the Madrid and Hague Systems, and designating the EU as the area where they apply).

It is important to note that it will be possible for the holder of the original EU right to opt-out if it does not wish 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 subsist at December 31, 2020, will continue to be protected and enforceable in the UK for the remaining period of protection of the right.

In addition, the UK will create a new unregistered design right in UK law that mirrors the characteristics of the unregistered Community design. Accordingly, designs that are disclosed after December 31, 2020, 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 December 31, 2020, 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 nine months from the end of the Transition Period (i.e. until September 30, 2021), the UK government will recognize the earlier filing date of the pending EUTM as well as 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 DECEMBER 31, 2020?

Any EUTM and RCD applications that *do not* proceed to registration by December 31, 2020, should be re-filed with the UKIPO to benefit from protection as a “UK equivalent right.” The identical application should be re-filed within nine months from the end of the Transition Period (i.e. before September 30, 2021) 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 December

31, 2020, 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 December 31, 2020, 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 EU Intellectual Property Office (“EUIPO”) has confirmed that for the duration of the Transition Period it will continue to recognize the validity of UK rights relied on in pending and ongoing proceedings filed at the EUIPO. As such, a registered or unregistered UK right remains an applicable “earlier right” for the purposes of proceedings before the EUIPO right up to the end of the Transition Period. Following expiry of the Transition Period, it is anticipated that UK rights will no longer have effect in the remaining EU Member States.

WHAT IS THE LIKELY POSITION IF I HAVE PENDING PROCEEDINGS BEFORE THE UK IPO (RELIANCE ON EU TRADE MARK APPLICATION)?

As per the UK government’s guidance, the Proprietor of an EU trade mark application which does not gain protection by December 31, 2020, will need to re-file for a “UK equivalent right” by no later than September 30, 2021, 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 action is based on an earlier EU application, the proceedings will be suspended by the UKIPO until September 30, 2021 (giving the proprietor the permitted time to re-file for the “UK equivalent right” necessary to substantiate the action).

WHAT IS THE LIKELY POSITION IF I HAVE PENDING PROCEEDINGS BEFORE THE UKIPO (RELIANCE ON EU TRADE MARK REGISTRATION)?

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.

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 ongoing before the UK / EU courts as appropriate at December 31, 2020. Based on the current information available, we offer the comments below.

THE POSITION CONCERNING AGREEMENTS INVOLVING EUROPEAN UNION TRADE MARKS WHERE THE APPLICABLE LAW AND JURISDICTION IS DESIGNATED AS ENGLAND AND WALES?

As, it currently stands, we anticipate that the UK 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 additional 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 December 31, 2020, 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 December 31, 2020, 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 as – following expiry of the Transition Period – any UK conversion will no longer be applicable in the EU.

WHAT ELSE SHOULD WE BE CONSIDERING IN THE LEAD UP TO THE EXPIRY OF THE TRANSITION PERIOD?

We advise monitoring the UKIPO, the EUIPO, and the UK government’s announcements in the lead up to December 31, 2020. 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.

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