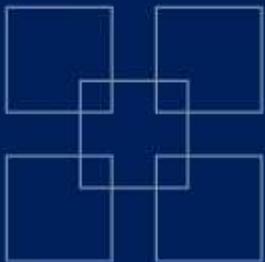


Brexit

ISTMA - 13th April 2021

Tania Clark, Immediate Past-President
Kate O'Rourke, Chair of Brexit Task-Force



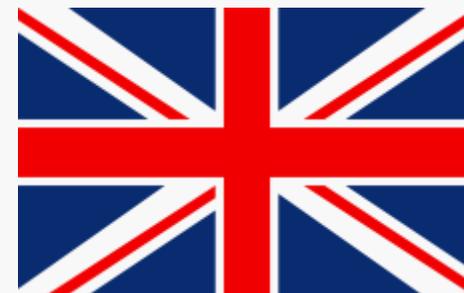
Cessation of protection of EUTMs in the UK

- On 1/1/21, granted EUTMs and protected EU designations no longer cover the territory of the UK.
 - The remaining EUTM / EU designation continues to protect the rest of the EU (27 Member States) only.
 - Dual filing required from 1/1/21.



A 'comparable' UK registration was automatically cloned on 1/1/21

- A new UK national trade mark registration, identical to the EU right.
 - Including the filing date (or the date of subsequent designation if applicable) and any priority claim / date.
 - Any priority claim inherited from an EU right will have legal effect where proceedings involve a comparable UK right.
- Recorded on the UK Trade Marks Register.
 - Not as a new UK designation under the International Registration for IR(EU)s.



How are these new UK rights identified?

- The last 8 digits of the EUTM prefixed with 'UK009' for granted EUTMs.
 - Distinguishable from 'normal' UK registrations.
 - A link to the "parent" EUTM registration.
- The last 8 digits of the international trade mark prefixed with 'UK008' for IR(EU)s.

Existing EU trade mark	Comparable UK trade mark
000000977	UK00900000977
000025197	UK00900025197
000340513	UK00900340513
017867542	UK00917867542

Existing IR (EU) trade mark	Comparable UK trade mark (IR)
000000977	UK00800000977
000025197	UK00800025197
000340513	UK00800340513
017867542	UK00817867542

Other points to note about the 'comparable' UK registration

- No re-examination.
- No cost to the owner of the right.
- Owners are not required to file any application form or to undertake any particular administrative procedure in the United Kingdom.
- No UK registration certificate will issue.
 - But details will be available on the UK IPO online register.

Other points to note about the 'comparable' UK registration

- It is treated as if it had been registered under UK law.
- Independent from the EU right.
 - It can be challenged, assigned, licenced and renewed separately from the original EU right.
- Owners of comparable UK registrations will not be required to have a correspondence address in the UK for the 3 years following the end of the transition period.
 - The EEA representative is copied over from the parent EU right (where one has been appointed).

Opting out of the comparable right

- Trade mark owners who do not wish to retain trade mark protection in the UK via the UK comparable trade mark are able to opt out, e.g.:
 - An agreement that prohibits the ownership of a UK registration; or
 - If there is already a corresponding UK designation of an International Registration.
- Partial opt out, for example for some classes only, is not possible.
- If the owner opts out, the UK comparable right will be treated as if it had never been filed or registered under UK law.

How will opting out work?

- The UK IPO provides a 'opt out' notice form.
 - Multiple opt outs can be filed on a single form.
- No official deadline or fee for opting out.
- By law, notice to any third parties that have an interest in the mark (for example, licensees) must be given for opt out to have effect.
 - The owner must confirm that such action has been taken.
 - In the form of a declaration on the official UK IPO form.



However, opting out may not be possible in some circumstances

- Opting out of the comparable right is not available if:
 - The mark has been used in the UK.
 - The mark is subject to an assignment, licence or agreement.
 - The mark is subject to litigation.
- If the UK IPO determines that an opt-out right has been exercised in circumstances where it was not permitted, the comparable UK trade mark may be reinstated if it was removed from the register.

What about pending EU rights as at 1/1/21?

- Owners have a 9-month window to re-file (i.e. until 30 September 2021) as an identical national UK application
 - Preserving the filing and priority date of the EU right (and any UK seniority claim).
 - The form provides space to record priority and seniority dates.
 - Covering identical goods and services.
 - The normal UK IPO filing fees are due.
 - The re-filed UK application will then be examined and prosecuted in the usual way.
- The application number for such re-filed marks will not have a link to the associated EU right (as opposed to the comparable UK marks).

What about pending EU rights as at 1/1/21?

- Note that owners of IR(EU)s will not be able to re-file as a new IR(UK) under this scheme.
- Applies to both designations of the EU made with the initial application for an IR and subsequent designations of the EU.
 - The designation must be recorded in the International Register before 1/1/21.

Be careful not to let any new UK applications be ‘torpedoed’

- Does your client intend to file a UK trade mark application that does not correspond to a pending EUTM application in the 9 months after 1/1/21?
 - If so, beware that another party could subsequently file a UK application but claim the earlier date of a corresponding EU right that was pending on 1/1/21.
 - Where this happens, the later-filed UK application will take precedence.
- Any pre-filing UK clearance searches should continue to look for EUTM applications pending on 1/1/21, at least until 1 October 2021.



Representation at the EUIPO

- UK representatives can continue to represent their clients before the EUIPO in cases that are **ongoing** at the end of the transition period.
 - This right of representation will continue for **all stages of the procedure** before the EUIPO, so including any appeal to the Boards of Appeal.
 - This includes the prosecution of EU rights (and oppositions that may arise after 1/1/21), as well as the handling of contentious matters such as oppositions or cancellations.
- However, UK attorneys cannot act on new matters/filings at the EUIPO after 1/1/21.

Representation at the UK IPO for comparable rights

- Owners of UK registrations only need to appoint a UK IPO representative if based outside of the EEA.
 - Before 1/1/21, a representative only needed to be based within the EEA.
 - Thus, an existing EUIPO representative for the ‘parent’ EU right will be sufficient for the comparable UK right, and will be automatically copied across.
 - This will remain the case **for three years** (so until 31 December 2023).
 - Also for UK re-registrations of RCDs.
- Owners are nevertheless advised to consider if a representative located outside of the UK is suitably qualified and competent in UK trade mark law and practice to fully represent their interests.
 - There may also be considerations relating to the scope of a firm’s professional indemnity insurance for handling matters outside of the firm’s jurisdiction.

Representation at the UK IPO for new 're-filed' rights

- There is however a distinction between the situation for the automatically-created comparable rights and new UK applications that are 're-filings' of pending EU rights.
 - Any new UK applications will need to have a representative in the UK, Isle of Man, Channel Islands or Gibraltar, where the applicant is not based in the UK.
 - This applies for any new UK filings after 1/1/21.

What happens if the EU right has no recorded EUIPO representative?

- Owners of EUTMs and IR(EU)s must appoint an EUIPO representative for all proceedings at the Office, **except** filing and renewal.
- If no issues are raised whilst the application or designation is pending, granted EU rights may have no recorded representative.
 - For IR(EU)s, the WIPO representative is not recorded on the EUIPO file.
- In such cases, the UKIPO will copy over the representative from the WIPO record.
 - Official correspondence, including renewal reminders, could be sent by mail if no email address appears on the WIPO record.
- We therefore suggest that a UK IPO representative is appointed for these files.

Can the comparable UK right be managed centrally under the IR?

- After 1/1/21, the IR owner may subsequently designate the UK in the international registration that prompted the creation of a comparable UK right.
 - Under Article 4bis of the Protocol, that IR(UK) *could* replace the comparable UK right, allowing the owner to regain the advantages of centralized management.
- The owner may request the UK IPO to take note of this replacement in the UK Trade Marks Register.
 - UK IPO Form TM28 (Application to record a concurrent registration) should be filed to record that a protected IR(UK) replaces a registered UK Trade Mark.
- But, owners must note that a subsequent IR(UK) designation would be subject to examination by the UK IPO and be published for opposition.

New contentious proceedings after 1st January 2021

- From 1/1/21, UK rights cannot be enforced against EU rights.
 - A UK trade mark registration or application cannot be a basis for an opposition against an EUTM application.
- Equally, EU rights cannot be enforced against UK rights.
 - For UK proceedings initiated after 1/1/21, EUTMs and IR(EU)s will no longer be considered valid earlier rights.

Ongoing opposition proceedings against EU trade marks

- Pending EUIPO opposition proceedings against EUTMs / IR(EU)s that are based solely on earlier UK rights will be **dismissed**.
 - Each party will be ordered to pay their own costs.
- The opposition will have to be re-filed in the UK against any new UK application filed by the adversary.
- If the opposition period has expired, a **cancellation action may need to be filed**.



Ongoing opposition proceedings against UK rights

- Pending UK IPO opposition proceedings based on earlier EUTMs / IR(EU)s (granted and pending) will continue to be heard in line with the law applicable prior to 1/1/21.
 - The EU right will be treated as a valid earlier right until the proceedings conclude.
 - However, actions/remedies taken or granted will only apply to the comparable UK right.
 - New comparable UK rights, or re-filed UK applications cannot be substituted in.
- The UK IPO is expected to issue further practice guidance shortly to confirm this situation.

The situation is essentially the same for ongoing cancellations

- Pending EU cancellation proceedings that are based solely on earlier UK rights will be dismissed.
 - Each party will be ordered to pay their own costs.
- UK cancellation actions based on earlier EUTMs or IR(EU)s will continue
 - The law applicable prior to 1/1/21 applies.
 - However, actions/remedies taken or granted will only apply to the comparable UK right.

What happens if a granted EU right is under cancellation attack?

- Comparable UK rights will still be created from EU rights that are the subject of ongoing cancellation proceedings at 1/1/21.
 - With a status of “registered – cancellation pending” on the UK Register.
- But, if the parent EUTM is then cancelled in the EU as the result of an action that was ongoing on 1/1/21, the comparable UK right will also to be cancelled **to the same extent**, with the same date of effect, upon notification to the UK IPO.
 - This means that separate cancellation actions will not need to be launched against the comparable UK right after 1/1/21.
- However, the same is **not true** if the parent EU right is an IR(EU).
 - The effect of the EU cancellation will not ‘flow through’ to the UK comparable mark.

Ongoing cancellation proceedings against the parent EU right

- However, the cancellation will not have effect on the comparable right if the grounds are not applicable in the UK.
 - For example, if an absolute grounds cancellation is based on descriptiveness in Greek, or a relative grounds invalidity is based solely on Latvian earlier rights.
 - In such circumstances, the proprietor will have to file a 'Derogation Notice' to explain to the UK IPO that the decision does not apply.
- Despite the UK leaving the EU, descriptiveness examination under English will continue.
 - There are remaining EU member states that have English as their national language, e.g. Republic of Ireland.
- English will also remain one of the official languages of the EUIPO.

Use to resist a non-use cancellation challenge against a comparable mark

- A period of 5 years' non-use in the UK can render a mark vulnerable to challenge.
- However, many comparable UK marks created from EU rights will never have been used in the UK.



Use to resist a non-use cancellation challenge against a comparable mark

- Where the relevant 5-year period includes time before 1/1/21, any **genuine use** of the mark in the EU before 1/1/21 will count as qualifying use of the comparable UK right.
 - Whether use is inside or outside the UK.
 - The significance of this use will likely decrease over time, depending on the extent to which it covers the relevant five year period.
- But where the period includes any time after 1/1/21, use of the mark in the EU (and so outside of the UK) after that date will not be taken into account.
 - Only use in the UK will then be relevant.

The effect on a reputation that arises from use of a mark

- An approach similar to the non-use position is being applied to the assessment of reputation in a **comparable UK right**.
 - The reputation of the EU trade mark in the EU will be considered for the purposes of the comparable UK right.
 - The owner of the comparable UK right can therefore exercise rights that arise from a reputation, for example in opposition or invalidity proceedings, if the reputation was acquired in the EU by the end of December 2020.
 - As from 1/1/21, the continuing reputation of a comparable UK right shall be based on the use of the mark in the United Kingdom.
- Reputation of the **EUTM or IR(EU)** that is derived from use in the UK up until 1/1/21 may be taken into account.
 - But not after 1/1/21.

Basic principles regarding the **renewal** date of the comparable UK right

- The first renewal date for comparable UK marks derived from EUTMs will be the same as the renewal date of the corresponding EU right.
- The renewal date for comparable marks that come from an IR(EU) will depend on when the EU was designated:
 - If the EU was designated at the outset of the IR, the first renewal date for comparable UK marks will be the existing renewal date of the corresponding IR.
 - But if the IR(EU) was **subsequent designation**, the comparable mark will adopt the date of that subsequent designation for the purpose of future renewal.

General principles about renewals

- EUTM renewal fees paid **before 1/1/21** will only cover the UK comparable trade mark if the renewal date pre-dates 1/1/21.
- If the EUTM renewal date is **after 1/1/21** then a separate renewal fee has to be paid to the UKIPO.
 - Fees have to be paid separately for the EUTM (to the EUIPO) and for the UK comparable trade mark (to the UKIPO).

EUTMs that expire **before** 1/1/21

- The UK IPO will create comparable UK trade marks from any EUTM which:
 - Expired in the 6 months prior to 1/1/21 (i.e. from 1 July 2020)
 - Is still within its 6-month late renewal period
- These UK rights will hold an ‘expired’ status, and their continued effect in the UK will depend on late renewal of the corresponding EUTM at EUIPO.

EUTMs that expire **before** 1/1/21

- Where the corresponding EUTM is subject to late renewal, the renewal will also have effect on the expired comparable UK trade mark.
 - This means that the comparable UK trade mark will be automatically renewed as a result of the EUTM's late renewal.
- If the expired EUTM is **not** late-renewed at EUIPO, the comparable UK mark (which was created on 1/1/21 in the UK) will be removed from the UK register on expiry of the corresponding EUTM's late renewal period, but with effect from 1/1/21.

The Impact on registered design rights

- Registered Community Designs (RCDs) and International (EU) designs will no longer cover the UK after 31 December 2020.
- From 1/1/21 onwards, anyone wanting to protect their designs through registration in both the EU and the UK will need to file separate RCD and UK registered design applications.
- The national UK registered design rights regime will be unaffected by Brexit.

The impact on RCDs is largely consistent with the position for EUTMs

- Holders of granted Registered Community Designs (RCDs) and International (EU) Designs at 31 December 2020 were **automatically given a fully equivalent, independent UK right.**
 - No official cost and no forms needed to be filed.
 - The UK registrations retain the original filing, priority and seniority dates and the first renewal dates are the same as the original EU registrations.
 - Owners are able to opt out, based on certain requirements.
- Owners of pending RCD applications as at 31 December 2020 have **9 months to reapply** for the equivalent UK rights.
 - The usual fees and forms will be required, but the original filing, priority and seniority dates will all be retained.

How are the new UK re-registered design rights identified?

- The numbering for UK re-registrations of RCDs is the full 13-digit RCD number prefixed with the digit '9'.
- UK re-registered rights based on protected International (EU) designs consist of the full IR (EU) number prefixed with the digit '8'.

Existing RCD number	Re-registered UK design number
004048098-0004	90040480980004
000000021-0001	90000000210001

International (EU) no. (WIPO database)	International (EU) no. (DesignView)	Re-registered design no. (IPO)
DM/069 640	D069640-0001	806964000010000
DM/069 629	D069629-0001	806962900010000
DM/069 629	D069629-0002	806962900020000

RCDs with deferred publication

- An RCD that was deferred on 1/1/21 is treated as being equivalent to a pending application.
 - The holder of a deferred RCD can preserve its earlier filing and priority dates in the UK by filing an equivalent registered design application within 9 months, just like pending applications.
 - However, the application will **not** be the subject of a substantive examination, because the RCD has already been examined by the EUIPO.

Exhaustion of IP rights and parallel trade from 1/1/21

- The doctrine of exhaustion limits a trade mark owner's rights to control genuine branded goods after they have been put on the relevant market.
- For an interim period, the UK will continue to recognise the EEA exhaustion regime:
 - Goods placed on the market in the EEA will continue to be considered exhausted in the UK.
 - No change to rules affecting imports into the UK.
 - Parallel imports of goods can continue from the EEA .

Exhaustion of IP rights and parallel trade from 1/1/21

- The EU has not reciprocated with a continuation of the existing exhaustion regime.
- Therefore, putting goods on the market in the UK will not exhaust the IP rights in the EEA and owners of EEA IP rights may be able to block the entry of parallel imports from the UK.
- Businesses are advised to check with EU rights holders to confirm whether permission is needed.
- The UK government is planning a consultation of a future exhaustion regime in 2021 which could propose national exhaustion, international exhaustion or regional exhaustion.

Enforcement of rights against infringing activity

- After 1/1/21, UK courts no longer have jurisdiction to hear new cases relating to infringement of EU rights.
- Enforcement of an EU right brought in an EU court is also no longer effective in the UK.
 - Separate actions are needed if there is an infringement in both the EU and the UK.

Jurisdictional arrangements for pending proceedings

- There will be a number of ongoing cases as at 1/1/21.
 - The legislation ensures these cases will continue to be heard as if the UK were still an EU member state.
 - These proceedings will continue to a resolution on the basis of the law as it stood before 1/1/21.
- This could also apply to appeals to the UK courts of decisions from UK IPO proceedings that involve EU rights. It also applies if you are the holder of an EUTM and are involved in proceedings to oppose or cancel a UK trade mark.
- However, actions and remedies taken or granted by the courts, such as revocation of rights, will be applicable to the comparable UK right only.

Territorial scope of injunctions

- An existing injunction in place before 1/1/21 that prohibits actions in the UK which would infringe an existing EUTM or IR(EU) is treated as if it also applies to the comparable UK trade mark.
- From 1/1/21, any new pan-EU injunctions will only apply to the EU territory (not in the UK or in relation to the comparable UK right).
 - As the UK will no longer be under the jurisdiction of the EU legal system.

Relevance of future CJEU decisions in the UK

- Future decisions by the Court of Justice of the EU (CJEU) will no longer apply directly to the UK, but could still be relevant given the common provisions in the legislation.
- Equally, the UK courts could take the opportunity to divert away from EU trade mark principles established by the CJEU after 1/1/21.
- However, only UK Courts of Appeal and the Supreme Court are able to diverge from decisions of the CJEU.

Customs enforcement post-Brexit

- EU Applications for Action (AFAs) filed via an EU27 Customs Office will remain valid and enforceable in the EU27 but will cease to have effect in the UK.
- Pre 1/1/21 EU AFAs filed via the UK Customs Office will remain valid and enforceable in the UK but will cease to have effect in the EU27.
- Any new EU AFA filed with an EU27 Customs Office will apply across the EU27 only and will not be enforceable in the UK.
- To obtain protection in the UK, the new UK national system must be followed.

UK Applications for Action (AFAs)

- This system largely mirrors the pre-existing EU process;
- Must be filed online;
- Only UK rights can be relied upon;
- No need to re-file EU AFAs filed via UK Customs Office
- Must specify if it is to cover:
 - Great Britain and Northern Ireland
 - Great Britain only
 - Northern Ireland only.

Assignments

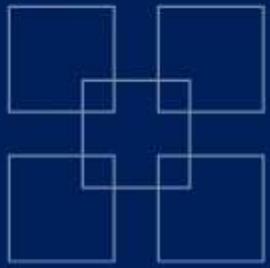
- Where an EU right has been the subject of an assignment before 1/1/21 that has not been recorded in the EUTM register, the comparable trade mark will be granted to the assignor.
- After 1/1/21, the assignor or the assignee will have the right to request that the new proprietor be recorded against the comparable trade mark.
- If requested by the assignee, appropriate corresponding evidence will be needed.

Licences and security interests

- Any licence or security interest recorded against an EU right will continue to have legal effect in the UK.
 - It will be treated as if it applies to the comparable UK trade mark.
 - The licence or security interest may authorise actions in the UK which would otherwise infringe the EUTM.
 - BUT it will not be recorded in the UK register.
- Trade mark owners of any such rights should notify any licensees of the new right, and check that the creation of the new right does not breach any agreement.

Licences and security interests

- UK law does not require that transactions are registered *per se*.
- However, licences and securities registered at the UK IPO within 6 months of the transaction provide some protections which do not apply to unregistered transactions.
- The period for recording a transaction on the UK register has been extended to 31 December 2021.
- This is in respect of the UK comparable trade mark for a licence or security interest already registered in the EUTM register.



QUESTIONS?

Tania Clark, Immediate Past-President

tclark@withersrogers.com

Kate O'Rourke, Chair of Brexit Task-Force

Kate.O'Rourke@mewburn.com

