

The Effect of BREXIT on IP in Europe



A presentation by
John Kensett
UK/European Patent Attorney



Dolleymores, UK

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BREXIT....what is it?

On 1 January 1973 the UK joined the European
Economic Community (EEC)

This became the European Union (EU)

On 23 June 2016 the UK voted to leave the EU

British Exit from EU = **BREXIT**

BREXIT....what is it?

Timetable



- UK has not yet formally requested its departure from the EU
- The request is likely to be made at the end of March 2017
- There is then a two year period in which the terms of the departure must be agreed
- This requires the agreement of each of the other 27 countries in the Union
- If there is no agreement within the two year period UK will leave anyway

BREXIT....what is it?

After Brexit UK will have to leave EU Organisations,
or make agreements to stay in them



IP In Europe Today (Pre-Brexit)

Patents



National Patents

Via National Patent Office

European Patents

Via EPO

Becomes bundle of National Patents

Includes all of EU and other states

Not an EU Organisation

PCT

Both EP and UK patents
available through PCT

IP In Europe Today (Pre-Brexit)

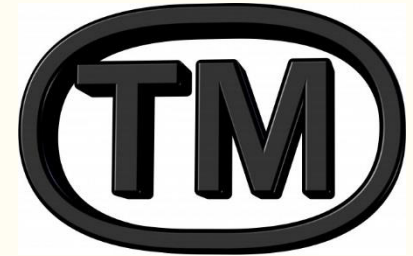
Patents

Unitary Patent/Unified Patent Court (UP/UPC)

Likely to enter into force before Brexit

Will include UK before Brexit

IP In Europe Today (Pre-Brexit)



Trademarks

National Registrations

Via National Patent Office

Community Registrations

Via EUIPO (was OHIM)

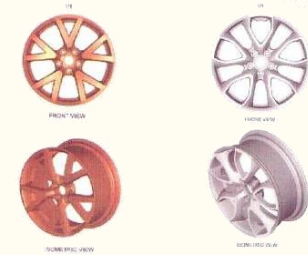
An EU Organisation

Madrid Registrations

Via UK or EUIPO

IP In Europe Today (Pre-Brexit)

Designs



National Design Registrations

Via National Patent Office

Community Design Registrations

Via EUIPO (Was OHIM)

An EU Organisation

Hague Design Registrations

UK not a signatory, so UK
protection ONLY through EU
Designation

IP In Europe Today (Pre-Brexit)

Unregistered Design Right

National Rights

Eg 10 years in UK

Community Unregistered Rights

By EU Regulations

Limited Duration (3 years)

IP Post-Brexit

- National Rights (Patents, TM, Des) **UNAFFECTED**
- European Patents **UNAFFECTED**
- PCT Patent Applications **UNAFFECTED**
- Unitary Patent/Unified Patent Court **???**
- European Community Trademarks **???**
- European Community Designs **???**

IP Post-Brexit

Patents

- EPC continues **UNCHANGED**, as it is NOT an EU system
- All European granted patents can be validated in GB as now
- **UK Patent Attorneys keep full rights of representation, INCLUDING right to file Unitary Patent validations and right to represent clients before UPC**

IP Post-Brexit

Unitary Patent (UP)

Probably in force by time of Brexit

(December 2017?)

UK will be party to it so UK included in single 'UP' Validation

IP Post-Brexit

Unified Patent Court (UPC)

Probably in force by time of Brexit

December 2017?

IP Post-Brexit

UP/UPC

1) Between Date of Commencement and Date UK Leaves EU?

(December 2017 until End March 2019?)

In Force throughout EU INCLUDING UK

IP Post-Brexit

UP/UPC

2) After Date UK Leaves EU

UK may or may not be involved.

Treaty? Political Agreement?

[We can keep you informed](#)

IP Post-Brexit UP/UPC

Counsel's Opinion (Requested by CIPA and others)

www.cipa.org.uk/EasySiteWeb/GatewayLink.aspx?allId=10869

Question 1a: Can the UK continue to be part of the Unitary Patent? - The UK may only continue to participate in the unitary patent by entering into a new international agreement with the participating EU Member States. The permissibility of such an agreement under EU law would turn upon essentially the same matters as the legality of the UK's continuing participation in the UPCA.

Question 1b: Can the UK continue to participate in the UPC? - It is legally possible for the UK to continue to participate in the UPC after 'Brexit'

IP Post-Brexit

UP/UPC

Counsel's Opinion (Requested by CIPA and others)

Question 1c: Can the UK continue to host the Life Sciences/Chemistry section of the central division? Provided that it is legally possible for the UK to continue to participate in the UPCA, there is no reason why it cannot continue to host a section of the central division.

Question 2: What changes would have to be made to the UPCA? – A number of amendments would have to be made to the Agreement

IP Post-Brexit

UP/UPC

Counsel's Opinion (Requested by CIPA and others)

Question 3: What would the UK have to sign up to? - The UK's continued participation in the UPCA would require it to submit to EU law in its entirety as regards proceedings before the UPC. It would also need to sign up to an appropriate jurisdiction and enforcement regime (such as the Lugano Convention).

Question 4: Does it matter whether the UK joins the European Economic Area (EEA)? - Our advice does not depend upon whether the UK joins the EEA.

IP Post-Brexit

UP/UPC

Counsel's Opinion (Requested by CIPA and others)

Question 5: Is it possible or desirable to obtain an opinion from the Court of Justice of the European Union (CJEU)? – It would only be possible to obtain a pre-emptive opinion from the CJEU on the legality of the UPCA if the Union became a party to the Agreement.

Question 6: What would be the consequences of 'Brexit' if the UK ratifies the UPCA without amendment? - If the UK ratified the UPCA, without amendment, and subsequently left the EU, any divisions of the UPC in the UK would have to cease operating. The transitional consequences of this are matters of detail to be negotiated as part of the UK's exit negotiations.

IP Post-Brexit UP/UPC

Counsel's Opinion (Richard Gordon QC) - SUMMARY

- The UK may only continue to participate in the Unitary Patent by entering into a new international agreement with the participating EU Member States
- It is legally possible for the UK to continue to participate in the UPC after 'Brexit' and to host the Life Sciences/Chemistry section of the court, but changes would have to be made to the UPC Agreement
- The UK's continued participation would require it to submit to EU law regarding proceedings before the Court. It would also need to sign up to an appropriate jurisdiction and enforcement regime
- It would only be possible to obtain a pre-emptive opinion from the Court of Justice of the EU on the legality of the UPC Agreement if the Union became a party to the Agreement
- If the UK ratified the Agreement, without amendment, and subsequently left the EU, the UK division would have to close

IP Post-Brexit

UP/UPC

2) After Date UK Leaves EU

If UP patents granted (including UK) before Brexit but UK leaves UP then likely that opportunity given to convert UK part to national UK Patent

IP Post-Brexit

Trade Marks

EU registrations unlikely to cover UK after Brexit
Applications after date of Brexit will not include UK
so a SEPARATE UK application is needed

IP Post-Brexit

Trade Marks

What about the UK part of an EU Registration
granted BEFORE Brexit?

IP Post-Brexit

Trade Marks

Most Likely:

UK part of EU Registration able to be re-registered in
UK

Either

- a) Within a set period, or
- b) At time of next renewal

Trade Marks

- Should trade mark owners now protect marks in both the UK and the EU?

Trade Marks

EU trade mark (or Design) registration is a unitary right not a collection of national rights

Protection is afforded in all 28 countries, not to each country individually.

Benelux (Belgium, Netherlands, Luxembourg)

Austria

Denmark

Sweden

Poland

Finland

Germany

Ireland UK

France

Portugal

Spain

Italy

Greece Malta

Cyprus

Czech Republic

Slovakia

Slovenia

Bulgaria

Romania Croatia

Hungary

Estonia

Latvia

Lithuania

Trade Marks

Proof of use to validate a registration

UK

Once a registration is five years old, proof of use in the UK is required to validate it in order to enforce it

EU

Once a registration is five years old, proof of use is required in 'a substantial part' of the EU to validate it in order to enforce it. This generally means use in more than one country in the EU

Trade Marks

Costs

UK

Official fee (GB£) :
£170 for one class
£50 for each additional
class in the same
application
£50 for the third and
each additional mark in a
series of marks

EU

Official fee (Euros) :
€850 for one class
€50 for the second
class
€150 for the third and
each additional class in
the same application
It is not possible to
register a series of
marks in the EU.

Trade Marks

| | UK | EU |
|--|--|--|
| Multiclass applications | Yes | Yes |
| Series of marks accepted | Yes | No |
| Certification marks | Yes | Soon |
| Collective marks | Yes | Yes |
| Colour marks | Yes | Yes |
| Shape marks (3D) | Yes | Yes |
| Smell marks | Yes | Yes |
| Sound marks | Yes | Yes |
| Refusal possible on examination under absolute grounds | Yes | Yes |
| Refusal possible on examination under relative grounds | No, owners of earlier rights need to oppose to prevent registration of later marks | No, owners of earlier rights need to oppose to prevent registration of later marks |
| Opposition period | 2 months, with one month extension granted on request | 3 month, no extension possible |
| Renewal due | 10 years from the date of application. 6 months grace period for late payment | 10 years from the date of application. 6 months grace period for late payment |

Trade Marks

- **Other aspects to consider**
- Pan- European injunctions will no longer include the UK post-Brexit.
- Where there is infringement in a country in the EU and the UK (eg Republic of Ireland (not part of the UK) and Northern Ireland (part of the UK)) two separate actions will be needed as the pan-European injunction will not cover the UK.
- This will raise litigation costs

Trade Marks

Other aspects to consider (2)

Where the use of the mark has been predominantly in the UK, the owner of an EU registration may not be able to show that his mark has been registered for five years in order to validate a registration to enforce it, or to defend an action against him to cancel an EU registration for non-use.

Post-Brexit use in the UK will not count. It is not clear whether pre-Brexit use in the UK will count for five years from Brexit

Trade Marks

What to do Now?

Prioritise registrations

Identify superfluous registrations
and take action if necessary

Consider associated effects (agreements, licenses, etc)

IP Post-Brexit

Design Registrations

EU registrations unlikely to cover UK after Brexit
Applications after date of Brexit will not include UK
so a SEPARATE UK application is needed

IP Post-Brexit

Design Registrations

UK Likely to join Hague Agreement

If so, UK and EU can be registered using one Hague
Application

IP Post-Brexit

Design Registrations

Most Likely:

UK part of EU Registration able to be re-registered in
UK

Either

- a) Within a set period, or
- b) At time of next renewal

Design Registrations

- Should design owners now protect designs in both the UK and the EU?

Design Registrations

Costs

UK

Official fee (GB£) :

£50 for one design

£70 for 2 to 10 designs

£90 for 11 to 20 designs

£110 for 21 to 30 designs

etc

EU

Official fee (Euros):

€350 for one design

€175 for EACH of the
second to 10th designs

€60 for EACH of the
11th and subsequent
designs

Design Registrations

Where will likely infringement occur?

If filing application before Brexit, and infringement is likely to be in UK, consider filing a separate UK application as well as EU to ensure you have continuing rights

IP Post-Brexit

Other IP Rights

Great Repeal Bill

(brings all Current Law into UK law after Brexit, so UK laws brought about due to EU Directives or Regulations remain in force for the time being)

SPCs (supplementary Protection Certificates)

Copyright

Tax Regime (Patent Box)

Broadly unchanged

From CIPA

- In the short term (c. two years) it is business as usual for patent and trade mark attorneys and their clients in the UK. There is no change to the UK's membership of the EPC and to European patents, and it is anticipated that the UK will take part in the UP and UPC when they come into effect. Following the UK's exit from the EU, there will continue to be no change as regards the EPC, but uncertainties remain over whether the UK will be able to continue to participate in the UP and UPC. Following UK exit, EU trade marks and design rights deriving from the relevant EU regulations will cease to apply in the UK and transitional provisions will be needed to ensure that affected marks and designs can continue to be protected in the UK. UK patent and trade mark attorneys continue to have all the rights they have at the moment to work before the UK IPO, the EPO and the EUIPO. CIPA will work with the UK Government and other interested parties to ensure that as many of these rights as possible are retained after exit from the EU.
- The UK is an excellent venue for business and for obtaining and enforcing IP rights in Europe. CIPA is committed to ensuring that this will continue.



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