FORRESTERS
Clear direction

Brexit Planning

Advice for Clients and Associates, from Forresters

3 February 2020

Background

The UK formally left the EU on 31 January 2020.

Following difficult negotiations, the ruling Conservative party in the UK reached agreement with the EU on the terms of the UK's withdrawal from the EU. Although the original agreement was rejected by the UK Parliament, a revised agreement was eventually reached between the UK's new Prime Minister (Boris Johnson) and the EU. The provisions concerning IP are the same as those in the earlier version, as IP was not a contentious point.

Under the terms of the agreement a "transition period" was devised, to allow for the smooth implementation of the terms of the UK's withdrawal from the EU. The transition period will now run until 31 December 2020, and it is unlikely that this will be extended. The provisions concerning the transition period specify that EU law shall be applicable to, and in, the United Kingdom during the transition period.

One other thing is now clear: when the transition period has expired, EU trade mark rights and EU registered designs will no longer be effective in the UK.

Patents – no change

Importantly, patents will not be affected by the UK's departure from the EU. There are no EU level rights for patents at present. The European Patent Convention is not a piece of EU legislation. Clients are however asking what will happen in respect of the UPC if the UK leaves the EU.

The UK Government has ratified the Unified Patent Court agreement which intends to bring the proposed EU-wide Unitary Patent into force. We must wait and see if this actually happens. A constitutional complaint in Germany is holding up ratification of the new law for the time being.

EU trade marks and designs

The withdrawal agreement states that EU registered trade marks and EU registered designs will be granted an equivalent UK national right at the end of the transition period. The procedure for this should be automatic, without cost and with minimum administrative burden. This may be difficult for the UKIPO to implement. There are well over one million live, registered, EU trade marks alone and adopting those onto the UK national register is no simple task. We still cannot be certain that the process will run smoothly.

The granting of equivalent UK national rights will apply to any EU right which has been registered/granted before the end of the transition period (31 December 2020), based on the current terms of the withdrawal agreement. There should be no re-examination of any equivalent UK national right which is created under these provisions.

The withdrawal agreement contains separate provisions to deal with an EU trade mark application or EU design application which is still pending at the end of the transition period (31 December 2020). There will be no automatic creation of equivalent UK national applications. However, applicants may file an equivalent UK national application during a period of nine months from the end of the transition period. Such new UK applications will retain the EU filing/priority date. We believe that any such new UK applications will be examined as a normal UK national application and will be subject to payment of the normal UK application fees.

International Registrations

The position concerning International registrations for trade marks and designs which designate the EU mirrors the position for direct EU rights. The legislation provides for the automatic creation of UK national registrations (not designations under the IR) equivalent to granted International Registrations. For pending IRs, owners will have nine months to file for equivalent UK rights while retaining the filing/priority date of the pending IR designating the EU.

Uncertainties – a cause for concern

Whilst the UK has now left the EU, there is (see above) still some uncertainty over how the automatic creation of UK equivalent rights will actually work. Because of this, it is still sensible for clients to consider their position now and look at the possibility of filing UK national rights now to secure their position.

Summary and recommendations for reducing the risks

- Existing registered rights

Existing registered EU trade marks and EU designs should benefit from the automatic creation of equivalent UK national rights, at the end of the transition period. International registrations under the Madrid Agreement (trade marks) and the Hague Agreement (designs) will be handled in the same way.

- Currently pending EU rights

Our advice is to try and complete registration of pending EU rights before 31 December 2020. In that way, the rights should be able to benefit from the automatic creation of equivalent UK national rights mentioned above. If the rights are still pending on 31 December 2020, then it will be necessary to refile a UK national application and pay UK national fees in order to put an equivalent UK right in place. This also applies to International Registrations.

- Proposed new applications

- Trade marks

It typically takes an EU trade mark application four to five months to proceed to registration, assuming that there are no objections. With the transition period ending on 31 December 2020 we believe that, if protection in the UK is important, the safest option is to file a UK national application as well as an EU application. This avoids the uncertainties around the process for refiling a UK application within the nine months grace period in case the EU application is still pending on 31 December 2020.

- Designs

An EU design application will typically be accepted and registered within one to two weeks from filing (assuming that all relevant fees are paid and no deferred publication is requested). Thus, applications filed by (say) mid-November 2020 should almost certainly be fully registered before the end of the transition period and should benefit from the automatic creation of equivalent UK national rights discussed above for existing registered rights. As we move even closer to 31 December 2020 we recommend that UK national design applications should be filed simultaneously with any EU application if protection is required in the UK.

Conclusion

While the impact of Brexit on IP rights has become clearer over recent months, there is still some uncertainty around the overall Brexit process and we are suggesting that clients seriously consider filing UK national applications *at the same time* as filing EU applications, as discussed above.

In relation to trade marks, we are also advising that clients (and associates) look at their (and their clients') existing portfolio of EU registrations and consider filing UK national trade mark applications for those marks which are of importance to them in respect of the UK. While the additional UK filings for "doubling up" on existing EU applications and registrations may be seen as superfluous, this strategy of filing UK applications now will remove any uncertainty.

We are offering heavily discounted fees for UK national applications which mirror EU applications and existing EU registrations. Please ask your usual contact for details.

Contact Us

Birmingham

Rutland House
148 Edmund Street
B3 2JA
United Kingdom

E: birmingham@forresters.co.uk

T: +44 (0) 121 236 0484
F: +44 (0) 121 233 1064

Liverpool

Port of Liverpool Building
Pier Head
Liverpool L3 1AF
United Kingdom

E: liverpool@forresters.co.uk

T: +44 (0) 151 255 2180
F: +44 (0) 151 227 2748

London

Sherborne House
119-121 Cannon Street
London EC4N 5AT
United Kingdom

E: london@forresters.co.uk

T: +44 (0) 20 7283 8989
F: +44 (0) 20 7337 7100

Munich

Skygarden
Erika-Mann-Str. 11
80636 Munich
Germany

E: munich@forresters.co.uk

T: +49 (0) 89 2441 299 0
F: +49 (0) 89 2441 299 10

Southampton

Unit 3, East Horton Business Park
Knowle Lane, Fair Oak
SO50 7DZ
United Kingdom

E: southampton@forresters.co.uk

T: +44 (0) 238 097 0830

Patent & Trade Mark Attorneys
www.forresters.co.uk