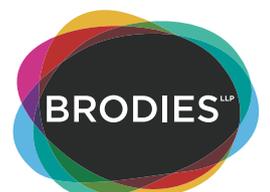


NO-DEAL BREXIT AND INTELLECTUAL PROPERTY

Brexit guide



NO-DEAL BREXIT AND INTELLECTUAL PROPERTY

A business' most valuable asset is often its intellectual property (IP), whether in the form of product designs, software, confidential information or brand names. While uncertainty persists about whether the UK will leave the EU on 31 October 2019 – and if so on what terms – all businesses should understand the potential impact of a no-deal Brexit and consider what steps they can take to best prepare and minimise any risks.

The UK Government has repeatedly said that, whether or not there is a deal on Brexit, it will aim as far as possible to continue to recognise existing EU-wide IP rights, such as European Union Trade Marks and Community Design Registrations by creating equivalent new rights in the UK.

The UK Government has published a number of technical notices on setting out how various IP would be dealt with in a no-deal scenario, links to which notices are included at the relevant sections below. There is also a helpful IP and Brexit UK Government hub, which can be accessed [here](#). Please ensure that you are looking at the most up to date technical notices as the links contained in this guide may not always be updated when the technical notices are revised.

TRADE MARKS AND DESIGNS

EU REGISTERED TRADE MARKS AND DESIGNS

All [EU registered trade marks and designs](#) which exist prior to Brexit will continue to be protected and enforced in the UK by a new equivalent UK national right. On exit day, all registered EU trade marks and registered Community designs will be cloned onto the UK Register at the UK Intellectual Property Office, creating a new equivalent UK trade mark or design registration.

Any registered EU right owner who does not want a new national UK equivalent right will be able to opt out of the process and not receive a UK trade mark or design. If owners of these existing registered EU rights do not opt out, then the UK IP Office will notify them that a new UK right has been created.



USE OUTSIDE THE UK PRE BREXIT

With the aim to protect business continuity and to provide as strong new UK national rights as possible post Brexit, the UK Government has agreed that where an EU registration has been used in the other 27 EU Member States 5 years prior to exit day, such use will continue to support the validity of the new UK registration being created.

This means that a new post exit day UK trade mark registration stemming from a registered EU trade mark which has not been used in the UK pre Brexit, but has been used in a number of other EU Member States, will not be vulnerable to any non-use validity challenges for at least 5 years post Brexit. However, it is recommended that the new UK rights are used in the UK as soon as possible post Brexit to avoid any validity challenges going forward.

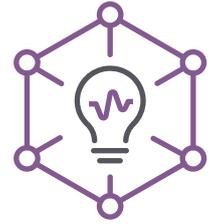
INTERNATIONAL TRADE MARKS AND DESIGNS

A similar cloning of new UK national rights onto the UK Intellectual Property Office Register will also take place in relation to all International (EU) trade mark and design registrations which have been registered in the EU prior to Brexit date. On exit day a standalone new national UK registered trade mark or design right will be created as opposed to simply being a UK designation under the International registration system.

WHAT HAPPENS TO PENDING TRADE MARK AND DESIGN APPLICATIONS?

A similar cloning of new UK national rights onto the UK Intellectual Property Office Register will also take place in relation to all International (EU) trade mark and design registrations which have been registered in the EU prior to Brexit date. On exit day a standalone new national UK registered trade mark or design right will be created as opposed to simply being a UK designation under the International registration system.

The UK IPO is not planning to provide notice to applicants of pending EU applications and therefore it is important that all applicants ensure that they refile any pending EU applications in the UK Intellectual Property Office within the 9 month window to retain the benefit of earlier filing and priority dates based on the associated EU application. After that 9 month window a completely new UK application will need to be made.





UNREGISTERED COMMUNITY DESIGNS

The UK will continue to recognise unregistered Community design rights in the UK which exist on exit date by creating a new UK equivalent unregistered design right to mirror the broader Community protection currently afforded to unregistered design. Accordingly, unregistered Community design rights existing at the point of Brexit will continue to be protected and enforced in the UK for the remaining duration of the maximum 3 year period of protection that would have existed in the EU.

IP owners should continue to look out for new UK legislation aiming to provide equivalent protection to the Community unregistered design protection. Whilst the existing UK unregistered design protection can last for between 10-15 years, it is narrower than that provided in the EU, with the European system providing broader protection, for example, for surface decoration.

Where an unregistered community design comes into existence and so gains protection post Brexit it will no longer cover the UK. This means that until the new broader UK unregistered design right is introduced the narrower UK unregistered design right protection will apply after Brexit for those designs created after Brexit.

PATENTS

[Patents](#) are not so materially impacted by Brexit.

European patents are a bundle of national patent rights which can be designated for protection in selected EU Member States and are administered by the European Patent Office. The UK is a contracting party to the European Patent Convention, the status of which is not tied to the UK's EU Membership. This means that existing patent rights and licenses in force in the UK (both UK national and EU (UK designated) at the time of exit, will remain in force in UK law with no action required. This includes Supplementary Protection Certificates.

UK AND THE UNIFIED PATENT COURT

The UK's ability to be a member of and participate in the new EU Unitary Patent system and Unified Patent Court, which could allow a single Unitary patent to be enforced in almost all EU Member States as opposed to nationally on a country by country basis, remains in doubt.

The UK Government has ratified the necessary legal agreements and indicated that it would like the UK to remain part of a Unified Patent Court when and if that comes into existence. However, membership is only available to EU Member States and whilst all participating countries could agree to amend the relevant agreements to allow the UK to participate, uncertainty remains as to whether the whole Unitary Patent and Unified Patent Court System will proceed at all, with or without the UK's participation.

If membership is not possible, then UK businesses would not be able to use the new Unified Patent Court in the UK and would have to enforce UK patents in the UK courts, Scotland or England, as they currently do. As UK businesses could be sued in the Unified Patent Court for alleged infringing actions in the remaining EU countries, it is important that patent owners keep an eye on whether and when the Unified Patent Court goes live and decide in advance whether some or all of their existing or pending European patents should be opted out of the new Unitary Patent system.



COPYRIGHT, DATABASE AND RELATED RIGHTS

Given that UK [copyright law](#) and legislation has been heavily influenced by EU law the same existing protection will pretty much apply in the UK post-Brexit. There may in the future be greater divergence between UK copyright law and that of the remaining EU Member States, particularly if the UK chooses not to be part of the EU's current plans to further harmonise copyright law on an EU-wide basis. Similarly, the current cross-border EU reciprocal protection and recognition of copyright materials may no longer apply to the UK as a non-Member State post Brexit. This will need to be considered when seeking to enforce rights post Brexit.

The UK's continued membership of the main international treaties on copyright will mean that the scope of protection for UK materials in the UK and for UK materials abroad (but not all EU cross-border schemes) remains essentially the same.

A no-deal Brexit could impact on some database right protection and the ability of UK consumers and businesses to use and access online content outside the UK, but by and large protection should remain the same post Brexit.

Businesses which do use and exploit copyright, database and related rights in the EU should keep a close eye on what happens to such rights post Brexit.



GEOGRAPHICAL INDICATION PROTECTION



The UK Government guidance on protecting food and drink names in a no-deal Brexit can be found [here](#).

There are currently three EU schemes that protect the names and quality of agricultural products and foodstuffs: Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG) (together GIs). There is currently no equivalent GI law protecting these products in the UK, as EU Membership means there is no need for it.

A UK product such as Scotch whisky, Scotch Lamb or Stornoway Black pudding could lose out on the GI protection they currently enjoy within the UK – albeit Scotch whisky is very well protected by separate specific UK legislation.

The Government has indicated that when the UK leaves the EU, it will set up its own GI scheme to protect the geographical names of food, drink and agricultural products in the UK, which will be managed by the Department for Environment, Food and Rural Affairs. All existing UK products registered under the EU GI schemes will get UK GI status and remain protected in the UK. New product names can also be protected under the new UK scheme with applications open to UK, EU and non-EU countries. New UK GI logos will be available for products protected and to be sold in the UK.

As there is no guarantee that post Brexit the remaining Member States will continue to protect UK GI products in the rest of the EU, owners may need to apply again to the European Commission to be able to have EU protection and the continued ability to use the EU GI logo on their products.



EXHAUSTION OF IP RIGHTS

On Brexit day the UK will continue to recognise the [exhaustion of IP rights](#) for goods placed on the market in the European Economic Area (EEA). Thus, there will be no immediate impact on the import of such goods, known as 'parallel importing', into the UK. IP rights which have been exhausted in the EEA and the UK will remain regarded as exhausted in the UK.



IP owners and particularly those engaged in parallel importing, will need to keep an eye on what the remaining EEA countries do in relation to recognising exhaustion of rights post Brexit, as that could place restrictions on the parallel import of goods from the UK to the EEA – essentially requiring prior consent from trade mark owners.



.EU DOMAIN NAMES

If a UK based business is using an .eu domain name then it will need to check if it can retain and use that registration post Brexit. Such domains must be held either by an EU individual or business with an address in an EU Member State, which would no longer apply to the UK post Brexit.

A two month period to alter details has been agreed, but .eu domain name owners should be taking steps now to ensure ownership can be retained or be putting alternative domain names arrangements in place.

IF THERE IS A DEAL?

Should the UK leave with a deal, broadly speaking much of the above, particularly in relation to European Union Trade Marks and Community Registered Designs is expected to remain in place. The version of the withdrawal agreement agreed by the UK Government with the EU (but not ratified by Parliament) provides for a transition and implementation period until 31 December 2020 (could be extended) during which the UK would be basically treated as still being a Member State and EU would continue to apply in and to the UK.



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