## **Brexit Fact Sheet** for Practitioners



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The United Kingdom (UK) officially left the European Union (EU) on January 31, 2020 ("Brexit Day"), and the UK and EU have now entered into an agreed "Transition Period" that runs until December 31, 2020 ("Transition Period").

The following Fact Sheet provides all the basic information that you need to know about the implications of Brexit for you as a brand owner or an IP professional, both during the Transition Period as well as after the Transition Period expires. We also provide some useful housekeeping tips and areas where you may want to consider obtaining legal advice, and highlight issues to look out for where the full or final details are not yet known.

### 1. Transition Period

February 1, 2020 to December 31, 2020, 11PM GMT<sup>1</sup>

#### **FACTS**

**No changes in operation & effect.** The UK/EU Transition Period runs to December 31, 2020. Until then, there will be no changes to the operation or effect of the EU or UK laws as they apply to European Union Trade Marks (EUTMs), Registered Community Designs (RCDs), or Unregistered Community Designs.

**"Cloning" of registered rights post-transition period.** At the end of the Transition Period, all EUTMs and RCDs will cease to have effect in the UK. Instead, registered rights will be "cloned" to create corresponding UK rights, leaving proprietors with an EU right (now effective in EU27) and a UK "clone". There will be no fee and there is nothing that you need to do in order for this to happen. Unless you opt out (see below) your registered rights will be cloned automatically, and you will continue to enjoy the same protection as a separate right in the UK.

**New UK Supplementary Unregistered Design Right.** A new UK Supplementary Unregistered Design Right (SUD) will also be created to mirror the unregistered Community Design Right. Unregistered Community Design rights with a duration beyond the end of the Transition Period will continue to enjoy protection in the UK for the remaining period of equivalent protection of the relevant Community Right.

**International Registrations.** During the Transition Period, International Registrations (IRs) for trademarks and designs protected via the Madrid and Hague systems designating the EU will continue to extend to the UK automatically.

**Right of representation.** UK legal representatives will continue to have the right to represent clients before the EUIPO during the Transition Period and will be permitted to continue to represent their clients before the EUIPO in proceedings that are ongoing at the end of the Transition Period.

**Pending court proceedings.** For pending court proceedings in the UK issued before the Transition period expires, as well as in EU Member States in cases involving UK rights, the jurisdiction provisions of the EU Trade Mark Regulation and the Community Design Regulation will continue to apply, regardless of when those proceedings are finalized.

**.eu domain names.** If you have any .eu domains, you will be able to retain these up until the end of the Transition Period. However, after the Transition Period expires, you will only be eligible to continue to hold or to register a .eu domain if you are an EU citizen or a natural person, business, or undertaking that is resident or established in the EU or EEA.

<sup>&</sup>lt;sup>1</sup> Provided that no extension of the Transition Period is agreed upon by both parties as provided by in the Withdrawal Agreement.

<sup>&</sup>lt;sup>2</sup> Provided that no extension of the Transition Period is agreed upon by both parties as provided by in the Withdrawal Agreement.

<sup>&</sup>lt;sup>3</sup> The 27 European Union's Member-States.

#### HOUSEKEEPING

**Filing before the end of the Transition Period.** Brand owners who are looking to file new applications for EUTMs or RCDs before the end of the Transition Period should carefully consider whether to dual file in the EU and the UK, as EUTMs and RCDs that are pending when the Transition Period ends will not automatically be cloned and will need to be re-filed in the UK. However, you may be able to retain the EU filing date for the UK application.

**Renewals.** There is no need to expedite payment of renewal fees for EUTMs or RCDs if their renewal date is after the end of the Transition Period—it will have no effect on the cloned right and a separate renewal fee will still be payable to the UKIPO when due.

**New filings.** File any new EUTM or design applications well in advance of January 1, 2021. Remember that it usually takes several months for an application to proceed to registration, including a three-month opposition period, assuming there are no objections or oppositions filed. In effect, any EUTM filed after September, 2020, will most likely require you to file a further UK application after the end of the Transition Period.

**Opt-in/opt-out of cloning rights.** Decide in advance whether you want to opt out of having your EUTMs cloned into UK rights. There may be a fee incurred if you do decide to opt out and if your UK cloned right is due for renewal within the first five years following the end of the Transition Period, you may wish to simply wait until then and instead opt not to renew the mark.

**International registrations (IRs).** Keep a look out for further news from the <u>UKIPO</u> and <u>WIPO</u> regarding final confirmation of the mechanisms to ensure continued protection of IRs designating the UK.

**.eu domain names.** If you will not be able to meet the eligibility criteria to continue ownership of any .eu domain names past the end of the Transition Period, i.e., you have no presence in the EU or EEA or you are not an EU citizen, then you will need to ensure that any website or online presence is transferred to another, non-.eu domain.

#### **SEEK ADVICE**

**Filing.** Brand owners who are looking to file new applications for EUTMs or RCDs before the end of the Transition Period should carefully consider whether to dual file in the EU and the UK, as EUTMs and RCDs that are pending when the Transition Period ends will not automatically be cloned and will need to be re-filed in the UK.

**'Cloning'.** If you outsource your trademark portfolio management or renewals, check with your provider how they will manage the automatic cloning of EUTMs, RCDs, IRs, and Hague Designs within the system to ensure that they are replicated in your records.

**Contracts, licences, security interests or other agreements.** You may also need to seek advice on any contracts, licenses, security interests, or other agreements that relate to EUTMs, RCDs, IRs or Hague Designs to ensure that they are still applicable and enforceable after the end of the Transition Period.

## 2. Post-Transition Period

From January 1st, 2021 onwards<sup>4</sup>

#### **FACTS**

**Cloning.** Existing EUTM or RCD registrations will no longer be valid in the UK and will only cover the 27 EU Member States. The UKIPO will convert existing EUTMs and registered and published RCDs into corresponding UK rights from January 1, 2021. These will benefit from the same original filing date as the EUTM, will keep the original priority and seniority dates, and will be fully independent national rights that can be challenged, assigned, and licensed, and will be renewed separately from the original EUTM. It is likely that the same treatment will be applied to RCDs where publication is deferred.

**International registrations (IRs).** Protected IRs designating the EU will no longer be valid in the UK. They will continue to be protected in the UK, but these rights will be cloned into UK national rights, not UK designations, unless a mechanism is created.

**Pending applications.** For EUTM or RCD applications pending on January 1, 2021, there will be a nine month window during which applications can be filed at the UKIPO, for a fee, to apply for corresponding UK rights. If an application to apply for corresponding UK rights is not filed, the original applications may proceed to be registered in the EU but will not benefit from protection in the UK. Remember that the UK filing must be for a mark that is identical to the pending EUTM and can only contain goods/services covered by the EUTM in order for you to benefit from the same filing date, priority date, or seniority claims.

**Injunctions.** As the UK will no longer be under the jurisdiction of the EU legal system after January 1, 2021, EU-wide injunctions will not apply to the corresponding UK right. Where an injunction that is in place on January 1, 2021, prohibits actions in the UK that would infringe an existing EUTM, the terms of that injunction will be treated as if they also apply to the corresponding UK trademark.

**Dual applications.** Dual applications in the UK and the EU will now be required if you wish to register a trademark or a design that covers both the EU 27 and the UK.

<sup>&</sup>lt;sup>4</sup> Providing that no extension of the 'Transition Period' is agreed by both parties as provided by in the Withdrawal Agreement

**Registered Community Designs (RCDs).** An RCD that is deferred at the end of the Transition Period will not be cloned. Instead you will need to file a new application with the UKIPO for a corresponding UK right.

You can actively opt out of receiving the corresponding UK rights, unless you have:

- used the corresponding UK right in the UK;
- assigned, licensed, or entered into an agreement in relation to it; or
- initiated litigation based upon the comparative UK right, after December 31, 2020.

**Geographical Indications (GIs).** Gls will be granted equivalent protection in the UK, however where any such name ceases to be protected in the EU after the expiry of the Transition Period, this name will also cease to be protected in the UK. Gls of UK origin will remain protected in the EU until the EU and UK have concluded a future agreement on Gls.

**Invalidty & Revocation.** If, after the Transition Period, an EUTM or RCD is declared invalid or revoked as a result of ongoing proceedings, the corresponding UK trademark or RCD will usually also be declared invalid or revoked, unless the grounds for invalidity or revocation do not apply in the UK. If so, the UK will not be obliged to declare invalid or revoke the corresponding UK right.

#### HOUSEKEEPING

**Certificates.** You will not receive certificates for your new comparable UK rights. Details of your registrations will only be available via <a href="https://www.gov.uk">www.gov.uk</a> or you should be able to order a certified copy from the UKIPO for a small fee using Form TM31R.<sup>5</sup>

**New registration numbers.** You will need to update your internal records with the newly cloned UK rights, which will have new registration numbers.

For RCDs, these will be prefixed with a number '9' as shown below:

Existing RCD Number New UK Design Number 004048098-0004 90040480980004 000000021-0001 90000000210001

For EUTMS, the last 8 digits of the EUTM number will be prefixed with "UK009" as follows:

Existing EUTM Number New UK TM Number 000000977 UK009000000977 017867542 UK009017867542

**Pending applications.** Where EUTM or RCD applications are still pending after the end of the Transition Period, you will have nine months from January 1, 2021, to make a further application to the UKIPO to request corresponding rights in the UK.

<sup>&</sup>lt;sup>5</sup> The UKIPO should continue to provide this service in respect of cloned rights. The actual process will have to be to be clarified by the UKIPO.

**Renewals.** Remember to renew your EUTMs that are due to expire before the end of the Transition Period as well as any newly created UK rights if the renewal date falls within the first six months after the end of the Transition Period. You will not receive a reminder from the UKIPO for these.

**Use.** After the end of the Transition Period, remember that you need to maintain ongoing use to avoid revocation and to maintain a mark with a reputation. This can only be based on the relevant territory: EU27 for EUTMs, UK for cloned rights. As always, keep good records of such use and reputation.

#### **SEEK ADVICE**

**Pending oppositions or cancellation actions.** If you have any pending oppositions or cancellation actions at the EUIPO, you should seek legal advice as to whether you should commence parallel actions in the UK.

**Applications for Action (AFA).** If you have an EU AFA, you should seek advice as to whether this might need to be re-filed.

#### **FURTHER INFORMATION**

General information, historic background, UK and EU legal texts, explanations and tips on the impact of Brexit on IPRs:

https://www.inta.org/Advocacy/Pages/Brexit.aspx

#### **Trademarks**

https://www.gov.uk/guidance/eu-trademark-protection-and-comparable-uk-trademarks

https://www.gov.uk/guidance/changes-to-international-trade-mark-registrations-after-the-transition-period

#### **Designs**

https://www.gov.uk/guidance/changes-to-eu-and-international-designs-and-trade-mark-protection-after-the-transition-period

https://www.gov.uk/guidance/changes-to-unregistered-designs-after-the-transition-period

#### **Parallel Imports & Exhaustion**

https://www.gov.uk/guidance/exhaustion-of-ip-rights-and-parallel-trade-after-the-transition-period

#### .eu Domains

https://eurid.eu/en/register-a-eu-domain/brexit-notice/

https://www.gov.uk/guidance/eu-domain-names-what-you-need-to-do-to-get-ready-for-brexit

#### **WIPO**

https://www.wipo.int/madrid/en/news/2020/news\_0004.html

https://www.wipo.int/edocs/madrdocs/en/2020/madrid 2020 2.pdf

#### **EUIPO**

https://euipo.europa.eu/ohimportal/en/brexit-q-and-a

