

## GUIDE

# IP and Brexit – what happens next

This Guide provides a summary of what is going to happen to intellectual property and related rights in the UK following Brexit at the end of the year.

The UK left the European Union at 23:00 GMT on 31 January 2020. Under the UK-EU Withdrawal Agreement, the UK-EU “*transition period*” is currently running, and will end at 23:00 GMT on 31 December 2020. 31 December 2020 is also known as “*IP Completion Day*”. Whilst in the transition period the UK remains in both the EU Customs Union and single market, and the UK is treated for most purposes as if it remains an EU member state. Most EU law continues to apply to the UK.

### The relationship with EU law

Given the interconnectivity between UK and EU Intellectual Property law, Brexit will have significant implications on IP rights, and the main implications are set out below.

As IP law is harmonised to a significant extent across the EU most of the UK law in respect of IP has been composed of directly affected EU Regulations and transposed EU directives. The European Union (Withdrawal) Act 2018 (the Withdrawal Act) repealed the European Communities Act 1972 (ECA 1972) on exit day, but (as amended by the European Union (Withdrawal Agreement) Act 2020) immediately saved most of the effects of the ECA 1972 (in modified form) for the duration of the transition period. At the end of the transition period on 31 December 2020 a new body of UK law, known as Retained EU law, will be created based on the EU law that applied to the UK at the end of the transition period.

EU-derived domestic legislation which had effect in UK law at the end of the transition period is retained, such as UK legislation that implements EU directives or relates otherwise to the EU or European Economic Area (EEA). Most directly applicable EU Regulations are saved and converted into UK law and continue to have effect as they had in EU law immediately before the end of the transition period, but only so far as they applied to the UK under the UK-EU transitional arrangements.

The Withdrawal Act contains provisions to convert the existing body of currently directly applicable EU law into domestic UK law by means of numerous statutory instruments (SI's). Details of the SI's can be found at: <https://www.gov.uk/eu-withdrawal-act-2018-statutory-instruments>.

### Equivalent rights

Holders of EU trade marks (EUTMs), registered Community designs, and Community plant variety rights registered or granted before IP Completion Day will automatically become holders of comparable IP rights in the UK. Dealing with each right in turn:

### EU Trade Marks (EUTMs)

#### EUTM registrations

For every EUTM registration in force as of 31 December 2020, an equivalent UK right will be created automatically on IP Completion Day. The same applies for EC designations of international registrations. There will be no fee payable for this automatic registration.

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The UK cloned right will retain the filing date of the EU-wide registration that it is based on, taking into account any priority or seniority claims that might be relevant, and therefore allowing the same protection of the EU wide right to be implemented in the UK. The UK trade mark will retain the same renewal date as the corresponding EUTM. The UK cloned rights will keep their existing registration numbers, with a prefix added depending on the type of registration. For instance, EUTM registrations filed directly with the EUIPO will have “UK009” as a prefix and EC designations of International Registrations will have the prefix “UK008”.

Where the cloned UK trade mark is due for renewal in the six months after 1 January 2021, a renewal reminder from the UKIPO will be sent to the holder on the renewal date (or as soon as possible thereafter). Owners will be given a further six months for the UK trade mark to be renewed in the UK. The usual official renewal fees will apply: £200 for one class and £50 for each additional class and no late renewal fees will apply during this six-month period.

Where an EUTM is due for renewal after 1 January 2021, early payment of the fee with the EUIPO, will have no effect in the UK and renewal fees will still be payable at the UKIPO.

#### **Expired EUTMs before 1 January 2021**

If an EUTM has expired in the six months period to 1 January 2021 or it has not been subject to a late renewal action and is still within its six-month late renewal period, the cloned UK trade mark will be labelled “expired”, and its fate depends on the renewal of the equivalent EUTM. If the EUTM is renewed the UK trade mark will be renewed automatically with no UK renewal fees.

#### **Certification and collective marks**

The UKIPO will create comparable rights if they were registered before 1 January 2021. The regulations governing use of the EU mark at the time of creating the “cloned” mark will not be automatically imported onto the UK Register. The UKIPO will only contact the holder to provide an English translation of the regulations relating to the comparable right when needed, for example, if the comparable mark is subject to proceedings. If no translation is provided, it may result in loss of the right.

#### **Opt-out procedure**

If an EUTM applicant does not wish to hold a new right, they may opt out of holding it. If there is an opt out of the comparable right, it is treated as if it had never been applied for or registered under UK Law.

However, an opt-out right may not be exercised if you have used the comparable right in the UK or if you have assigned or licensed the right, entered into an agreement in relation to the right or have initiated litigation based on the comparable UK right.

In order to request an opt-out the request must be submitted after 1 January 2021 and any request made before this date will not be valid. The UK Government will provide a notice template for an opt-out request and any such request should provide the EUTM number along with details of anybody with an interest in the EUTM. Any third party who has an interest in the EUTM rights must also be given notice of the opt-out request. The registrant must confirm that such an action has been taken.

#### **Pending trade mark applications on IP Completion Day**

However, where an EUTM application is pending as of 31 December 2020, a UK cloned right will not automatically be created, and this applies also for EC designations of international registrations where the registration process has not been completed by 31 December 2020.

Although no automatic UK right will be created, there will be a nine month grace period (it will end on 1 September 2021) in which UK equivalent rights can be applied for claiming filing priority or seniority dates relevant to the EU registration date. The UKIPO has confirmed that current official filing fees will apply: £170 for one class of goods/services and an extra £50 for each additional class.

In relation to a “cloned” UK trade mark, it will benefit from any use made of the mark in the EU before 1 January 2021 whether in the UK or outside.

Similarly in relation to the assessment of reputation, in relation to the consideration of any time before 1 January 2021, reputation of the corresponding EU trade mark, in the EU but not necessarily in the UK, will be considered for the purposes of the comparable UK right.

#### **Licences and security interests**

EUTMs which are the subject of a licence or security interest which authorises actions in the UK will continue to have effect in the UK. However, the recordal of these rights will not be automatic. The transaction does not have to be registered but licences and securities registered with the UKIPO within six months of the transaction date attract some protections which are not afforded to unregistered transactions. If a licence or security interest is already registered at the EUIPO before 1 January 2021 the UKIPO will extend the period within which such transactions must be recorded for a comparable UK trade mark to 12 months from 1 January 2021.

Licences are often granted on a geographical basis, so the creation of a UK cloned mark and subsequent licence recordal will obviously dependant on whether there are any related rights in the UK. Any licensee should be notified of the new comparable UK trade mark and checks should be made to ensure the creation of the new comparable UK trade mark does not breach any existing agreement.





### Oppositions and cancellations

Where there is a pending cancellation action against an EUTM as of 31 December 2020, the result of the action will also affect the UK cloned right if the grounds are applicable in the UK. Essentially, you can rely on the same bases of rights for what was an EUTM effective in the UK and which is now a cloned UK mark.

It is not expected that an opponent will continue to be able to rely on earlier UK rights used as the basis for opposition or cancellation of an EU trade mark in actions which are not decided by 1 January 2021. UK rights are likely not to be a valid ground of objection. It is important to consider whether it is sensible to postpone, settle, or try and finish the EUIPO action.

### Geographical indications (GIs)

The UK Government has confirmed that it will set up its own GI schemes which will apply from the end of the transition period.

On 6 July 2020 the European Commission published a notice to stakeholders on GIs following Brexit. The notice explains that after the transition period:

- GIs protected under EU law will only apply in EU member states. However, under the Withdrawal Agreement, the UK will continue to protect existing EU GIs registered before the end of the transition period. UK protection will last for as long as the GI is protected in the EU. The new UK rights will not be subject to any re-examination or re-application, but will be granted automatically and free of charge.
- When applying to register new GIs, UK producers will have to follow the rules applicable to non-EU countries.
- GIs resulting from applications made by UK producers that are still pending at the end of the transition period will apply in the EU but not in the UK.

Under the Northern Ireland Protocol, existing and future EU GIs will extend to Northern Ireland.

### EU domain names

The .eu domain registry, EURid, announced in a notice on 3 June 2020 that undertakings and organisations established in the UK, and UK residents and citizens, continue to be able to hold and register .eu domain names during the transition period. After the end of the transition period, the following entities will lose the right to own a .eu domain name:

- UK undertakings and organisations established in the UK but not in the EU.
- UK citizens who are not resident in an EU member state.
- UK residents who are not EU citizens.

From the end of the transition period, EURid will no longer accept applications from the above, nor allow the transfer of any domain name to them. On 1 October 2020 it will notify all registrants who fit within these categories that their registrations are due to be withdrawn, and on 1 January 2021 they will withdraw them so that they no longer function. They will become available for general registration on 1 January 2022.

### Designs

#### Registered community designs (RCDs)

The UK has a national UK registered design right regime which mirrors the EU's RCD design regime. The same rules for infringement and requirements for validity apply. The UK's regime will of course continue after the 31 December 2020. However, after this date, RCDs will cease to have effect or be enforceable in the UK.

The UK has agreed that all RCDs that are registered and fully published at IP Completion Day (11pm on 31 December 2020 remember) will be automatically duplicated at no extra cost as a UK registered design. These UK rights will have the same application, registration and priority dates as the equivalent RCD.

Note that where an RCD's renewal date falls after 1 January 2021, early payment of the renewal fee at EUIPO, on a date prior to 1 January 2021, will have no effect in respect of the re-registered design. It is best to wait to pay the fee for the cloned UK registration, otherwise you will pay twice.

International (Hague) design registrations which designate the EU, and which are published and accepted by the EUIPO will also be created without cost to the owner. The owner will be informed that a UK right has been granted, but will have the option to opt out.

#### Pending RCDs

If an RCD registration is pending on 31 December 2020 or is under deferred publication, there will be a nine months period during which a UK design right can be registered, using the EU filing and priority dates. Should a design be under deferred publication, the publication cannot be deferred in the UK to a date that is later than the end of the EU deferment period for the RCD, and it will not be possible to defer the publication for more than 12 months from the date on which the UK application is filed.

#### Unregistered designs

##### UK unregistered design right

The UK Copyright, Designs and Patents Act 1988 (the CDPA) protects and provides for a discrete UK unregistered design right, and this will continue to be in effect after 31 December 2020 subject to a few changes in relation to qualifying criteria.





Current law states that a UK design right can be established in the following circumstances:

- by an individual who is resident in the EU
- by a business formed under the laws of an EU member state
- where first disclosure of the design occurs in an EU member state.

This means that activity inside of the EU but outside the UK can be sufficient for establishing UK design right.

The qualifying criteria for UK design right will change on 1 January 2021. This will create consistency with the new supplementary unregistered design, and avoid an imbalance between UK and EU designers.

Qualification for the right will be limited to:

- people resident in the UK or a qualifying country
- businesses formed under the laws of the UK or a qualifying country

Where qualification is a result of first marketing, you will need to have disclosed your design in the UK or a qualifying country.

There are considerable differences between the UK-specific right and the unregistered Community Design (UCD) right (the latter of which mirrors the RCD regime to a certain extent).

For example, the UCD right provides three years of protection from the date when the design is first made available to the public (disclosed) within the EU whereas the UK right lasts for a maximum of 15 years from the date it is first recorded in a design document. Further differences exist in relation to validity and infringement.

In order to address this irregularity in protection, two new types of UK unregistered design right will be created to come into effect after 31 December 2020.

#### **Continuing unregistered design (CUD)**

Designs that are protected in the UK as an unregistered Community design before IIP Completion Day will be protected as a UK continuing unregistered design and will be automatically established on 1 January 2021. It will continue to be protected in the UK for the remainder of its 3 years term.

The fact that a corresponding unregistered Community design was established before 1st January 2021 through first disclosure in the EU but outside of the UK will not affect the validity of the continuing unregistered design.

#### **Supplementary Unregistered Design (SUD)**

The aim of the SUD is to fill the gap left by the absence of an unregistered EU community design and the right will protect those designs first disclosed in the UK after 31 December 2020 for a 3 year term in the UK from the date of disclosure.

The terms of SUD protection will be similar to that already conferred by UCDs. However, the protection it provides will not extend to the EU. The right will mirror the UCD by providing UK protection for both 3- and 2-dimensional designs after 1st January 2021.

SUD will be established by first disclosure in the UK or another qualifying country. It will be subject to interpretation by the UK Courts.

First disclosure in the EU will not establish SUD. However, it may destroy the novelty in that design, should you later seek to claim UK unregistered rights.

#### **Customs enforcement of IP rights**

The UK is creating from the end of the transition period a scheme for the enforcement of intellectual property rights at the UK border that closely reflects the current EU scheme.

Essentially, UK national and EU customs' Applications for Action (AFA) granted by the Customs authorities in the UK will continue to apply in relation to the UK only. Any EU AFAs granted by the Customs authorities of another EU member state will no longer cover the UK.

Importantly, EU AFAs granted by the UK Customs authorities will no longer cover remaining member states of the EU after the transition period, and separate applications will need to be made in the UK and EU if the application date is after 1 January 2021.

#### **Patents**

##### **Patent Co-operation Treaty**

It is business as usual relating to the filing and prosecution of patents.

The UK remains a member of the Patent Co-operation Treaty and the European Patent Convention and UK and European patents continue to be enforceable in the UK in the same way after IP Completion Day.

Furthermore, the provisions of the Patents (Amendment) (EU Exit) Regulations 2019 will ensure that the necessary amendments to UK patent law are made to ensure that the areas of UK law which are based on EU law are incorporated into UK law.

##### **Unitary Patent and Unified Patent Court (UPC)**

The UPC was set up by an international agreement, the Agreement on the Unified Patent Court (UPC Agreement). The UPC is not an EU institution although most EU member states intend to take part.

The UPC Agreement must be ratified by those states that wish to participate (contracting member states), and will not come into effect until ratified by 13 signatory states. These must include the three states in which the highest number of





European patents were in force: France, Germany and the UK. As of March 2020, out of these three states France and the UK had ratified, although in March 2020 the UK Government said that it would cease to participate.

In the event that the UPC comes into force (if indeed it does come into force) after the UK has left the EU, then UK, EU and third country businesses will still be able to use the UPC and unitary patent to protect their inventions within the EU. UK business will still be able to use the UPC and unitary patent to protect their inventions within the other contracting EU countries.

Article 60 of the Withdrawal Agreement sets out the provisions for pending applications for supplementary protection certificates (SPCs) for plant protection products and medicinal products in the UK. Article 60 provides that the Plant Protection Products SPC Regulation and the Medicinal Products SPC Regulation will apply in respect of applications for each product and also apply to applications for extensions. Any certificates granted under the above provisions shall be afforded the same protection as under the Regulations.

#### Exhaustion of IP rights

Intellectual property rights which are exhausted both in the EU and in the United Kingdom before the end of the transitional period shall continue to be deemed to be exhausted in the Union and in the United Kingdom. This means that it is still possible to import goods into any EU member state if they have already been placed on the market in the UK before the end of the transition period, and vice versa.

As things stand, the UK will continue to maintain the current regime with regards to exhaustion of IP rights after IP Completion Day. This means goods placed on the market in the EEA will be freely importable into the UK. However, goods first placed on the market in the UK cannot be exported lawfully to the EU.

In relation to the rest of the World, it remains to be seen what the future regime with regard to exhaustion of IP rights will constitute.

#### Trade secrets and confidentiality

The UK Government implemented the EU Trade Secrets Directive (2016/244/EU) in 2018. As the Directive largely reflected the UK law position, the resulting UK regulations were essentially procedural.

Brexit does not directly affect the law on trade secrets or confidentiality. UK entities doing business in the EU after IP Completion Day can still rely on and enforce the Directive's terms in EU member states since the Directive applies regardless of where the secret-holder is domiciled, provided the damage took place in a member state.

#### Copyright

Copyright law has largely been harmonised across the EU. The UK is a signatory to a number of international copyright treaties participated in by EEA and many non-EEA countries. As such copyright law will remain (at least for the time being) unaffected by Brexit, although it is expected that there will be some divergence in the future, for example, by the UK's confirmation that it will not implement the Directive on Copyright in the Digital Single Market (the Copyright Directive).

Most UK copyright works will still be protected in the EU and the UK because of the UK's participation in the international treaties, and for the same reason EU copyright works will continue to be protected in the UK. A good example relates to copyright qualification.

#### Qualification for copyright

Works that are currently eligible for copyright in the UK will continue to be eligible from 1 January 2021. Works are eligible for copyright protection in the UK if they are:

- made by a national of the UK, EEA or any country that is party to the international copyright treaties; or
- first published or transmitted in the UK, EEA or any country that is party to the international copyright treaties.

Even though references to the EEA will be removed from UK law, this will not stop EEA works qualifying for copyright, because all EEA states are party to the international treaties.

The UK Government published guidance on 30 January 2020 setting out how UK copyright law would change after IP Completion Day. Some examples are set out below:

#### "Allied Rights"

##### Artist's resale right

Artist's resale right entitles creators of artistic works to a royalty payment each time their works are sold by an art market professional. Under the EU Resale Right Directive, nationals of EU Member States and third countries that provide resale rights on a reciprocal basis are eligible for the right in the EU.

Nationals of the UK and other countries that provide reciprocal treatment for UK nationals (including EU member states) will continue to receive resale rights in the UK from 1 January 2021 in accordance with the Berne Convention. The calculation of royalty payments remains the same.

##### Sui generis database rights

There are two types of intellectual property protection for databases: sui generis database right ('database right') and copyright. Copyright protects the selection or arrangement of material in a database where this is original (i.e. creative). Database right, essentially, protects the contents of a database.





Database right was introduced by the “*Database Directive*” and eligible databases receive protection in all EEA member states. Only databases made by EEA nationals, residents or businesses are eligible.

Database right that exists in the UK or EEA before 1 January 2021 will continue to exist in the UK and EEA for the rest of its duration.

However, UK citizens, residents, and businesses will not be eligible to receive or hold database rights in the EEA for databases created on or after 1 January 2021, and UK owners of databases created on or after 1 January 2021 will need to consider whether they can rely on alternative means of protection in the EEA – for example licensing agreements or copyright, where applicable.

UK legislation will be amended so that only UK citizens, residents, and businesses are eligible for database rights in the UK for databases created on or after 1 January 2021.

### Copyright in databases

Copyright protection for databases in the UK and EEA will not change after 1 January 2021, again, as a result of the UK and all EEA member states’ membership of international treaties on copyright.

### Data Protection

Data protection law in the EU is governed by the General Data Protection Regulation (GDPR) which continues to apply during the transition period.

### Will the GDPR still apply when we leave the EU?

When the UK leaves the EU at the end of the transition period, the GDPR, in principle, will no longer apply. However, businesses in the UK will need to comply with UK data protection law i.e. the Data Protection Act 2018 (DPA 2018), and as the Government intends to incorporate the provisions of the GDPR into the DPA 2018 from the end of the transition period, there will be little change to the core data protection principles found in the GDPR.

The GDPR will also directly apply to any UK business who targets European customers, operates inside the European Economic Area (EEA), or otherwise receives data from organisations based in the EEA.

### Will UK businesses still be able to send and receive data to and from Europe?

The UK Information Commissioner’s Office (ICO) has always stressed the importance of having as much consistency in data protection laws on an international basis as possible because so many businesses operate across borders. However, what happens at the end of the transition period in relation to data transfers will depend on negotiations during that period.

The UK Government has said that transfers of data from the UK to EEA will not be restricted. UK businesses will therefore be able to continue to transfer data from the UK to the EEA lawfully under UK adequacy regulations, provided their documentation and privacy notices have been updated to expressly cover those transfers.

The position is slightly different for data transfers from the EEA into the UK. If the UK leaves the EU without a deal, then the UK will become a third country for data protection purposes. This will mean that data transfers from the EEA into the UK will be restricted unless the transfer is covered by an adequacy decision, an appropriate safeguard or an exception.

Most businesses which transfer personal data outside of the EU rely on data transfer agreements (which adopt the “*Standard Contractual Clauses*” (SCCs) or “*Model Clauses*”) between the sender and receiver of personal data as an appropriate safeguard governing the transfer. In relation to data transfers to the USA, most organisations utilise the EU:US Privacy Shield Framework (Privacy Shield) to address the requirement for adequate protection of data to the EU standard to be put in place.

In a recent judgment (Schrems II), the CJEU was asked to assess the Privacy Shield and SCCs as approved mechanisms to protect the transfer of personal data from the EU under the GDPR. In short, the CJEU invalidated the EU:US Privacy Shield Framework as a transfer mechanism for exports of personal data to the US.

This decision impacts on the use of SCCs. Whilst they remain valid in principle and can still be used to transfer personal data outside the EU/UK, the judgment adds a significant due diligence burden to continued use by organisations that want to rely on them. It also confirms that individual data protection authorities can effectively revoke reliance on the mechanism and prohibit or restrict transfers if they believe the SCCs won’t be complied with and the personal data adequately protected. This will apply to any data transfers to third countries which do not have an adequacy decision from the EU Commission.

### How should businesses prepare?

UK businesses are advised to look at what they are doing now and to identify whether they are likely to be involved in any international transfers of personal data after the transition period. In particular, businesses should look to identify and document:

- Any transfers made by it from one country to another;
- The volume and type of data being transferred (particular attention should be given to transfers which involve large volumes of data, include special categories of data, or which are business-critical);





- Whether the transfers are inside or outside the EEA (in relation to data originating in the EEA);
- What legal basis is being relied on for the transfers; and
- What appropriate safeguards are in place (or can be put in place) to govern the transfer.

### Civil justice and judicial co-operation

A fuller analysis of the changes to the law in relation to jurisdiction and enforcement of judgments is beyond the scope of this note.

However, in summary there is a framework of EU rules which apply to determining which country's court has jurisdiction over a dispute, which country's law applies to obligations and disputes, and the basis upon which judgments can be enforced as between EU Member States (the European Regime).

The European Regime will cease to apply at the end of the transition period, and in the UK jurisdiction and the enforcement of judgments will instead be determined by a combination of the existing common law and statute, which currently applies to cases falling outside the European regime, and (where it applies) the Hague Convention.

If a party is seeking the enforcement of judgments of EU member state courts in the UK in proceedings commenced on or after 1 January 2021, this will be more difficult. Enforcement will be determined by the statutory regime and the common law rules that currently apply to the enforcement of judgments from courts in non-EU countries. A much narrower class of judgments is enforceable under the non-EU regime than under the European regime, and the grounds on which enforcement can be resisted under the statutory regime and the common law are wider than under the European regime.

On 27 August the European Commission published a notice to stakeholders on the application to the UK of EU rules on civil justice and private international law, including insolvency. The note explains that after the transition period:

- The EU rules on international jurisdiction will only continue to apply in the UK where proceedings are commenced before the end of the transition period and related proceedings. The rules will continue to apply to related proceedings even if such proceedings are instituted after the end of the transition period.
- The jurisdiction of proceedings instituted after the end of the transition period will be determined by the national rules of the member state court seized. This will be the case even if the proceedings are commenced pursuant to an English jurisdiction clause agreed before the end of the transition period.

- The EU court will apply the rules relating to pending and related proceedings in the recast Brussels Regulation in respect of proceedings in an EU court after the end of the transition period, which are related to proceedings pending before a UK court seized after the end of the transition period.
- The EU rules on the recognition and enforcement of judgements will continue to apply to judgements given in proceedings instituted before the end of the transition period.
- Transitional provisions will apply where a UK judgement has been declared unenforceable in an EU member state before the end of the transition period but has not been enforced before the end of the transition period.
- Subject to transitional provisions contained in the Withdrawal Agreement, EU instruments facilitating judicial co-operation, for example in relation to the service of documents or taking of evidence, will no longer be available.

The UK set out its own paper on 22 August 2017 (providing a cross-border civil judicial cooperation framework) which takes a very similar position on governing law and pre-withdrawal jurisdiction agreements.

The UK has formally applied to join the Lugano Convention 2007 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Lugano Convention). The Lugano Convention governs jurisdiction and the enforcement of judgments between the EU and European Free Trade Association (EFTA) states – Switzerland, Iceland, and Norway. It replicates (not completely, but in large part) the existing regime for jurisdiction and the enforcement of judgments between the UK and EU, and would therefore ensure a high degree of continuity once the transition period ends. However, the EU has not approved the UK application to join (the other parties have) thus blocking the UK's accession.

### IP rights - competency of the UK and the 27 Member States Courts after 31 December 2020

There are unanswered questions over the competency of the Courts in the UK and the 27 Member States after IP Completion Day.

Up until the end of the transition period, EU law will continue to apply in the UK. The High Court and the Intellectual Property Enterprise Court (IPEC) will retain their status as EUTM courts and both can invalidate and invoke EUTMs and RCDs and award pan-European relief for infringement of such rights.

In relation to EUTMs for example, infringement proceedings pending before the UK courts at the end of the transition period, EU law will cease to apply in the UK, and the UK courts will immediately cease to be an EUTM court. At this point the UK courts can no longer invalidate or revoke EUTMs or reward pan-European relief for infringements of such EUTMs.





With regard to EUTM infringement proceedings pending before the UK courts at the end of a transition period, the proceedings will continue on the basis of the newly created UK equivalent rights which have been derived from the EUTM. The UK court will be able to grant injunctive relief in respect of or revoke or invalidate only the UK equivalent right. However if the EUTM was to be declared invalid or revoked, then this would also serve to invalidate or revoke the equivalent UK right.

During the transition period any pan-European injunctions granted by the courts of any of the 27 EU member states will continue to apply in the UK. At the end of the transition period the UK Government has confirmed that any pan-European injunctions issued by the court of one of the 27 member states before 31 December 2020 would be recognised by the UK. It is expected that the existing injunctions remain in effect in the UK so long as any EU wide right remains valid and in effect in the UK.

However there has been no indication from the EU that a pan-European injunction granted by a UK court before Brexit will be recognised and enforced by the courts of an EU member state after Brexit despite the UK's commitment to do so in respect of pan-European injunctions granted by a court of a member state.

In future, owners of EUTMs and Community designs will have to litigate twice to prevent infringements in the UK and any EU country: once in the EU, and again in the UK. Furthermore, it is possible that those litigating in both the EU and the UK will end up with conflicting judgments.

#### Licences and assignments

The wording of licence agreements should also be carefully considered to ensure that references to the EEA and/or the EU cover what is envisaged – is it intended that the UK will remain part of the licensed territory after 31 December 2020 for example?

Furthermore, is a comparable UKTM, derived from the EUTM, automatically included in the existing licence and is there the need to modify or amend the original agreement? The Withdrawal Act provides that where a licence permits use in the UK under an EUTM before the end of the transition period, it shall be treated as being included in the existing licence.

Governing law and jurisdiction clauses should also be reviewed.

## Chambers 2020 and Legal 500 2020

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## How Edwin Coe can help

If you would like to discuss any of the issues raised above, please contact Simon Miles, or your usual contact in the IP team at Edwin Coe.



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Simon Miles is a solicitor and Chartered Trade Mark Attorney with over 25 years experience in advising on contentious and non-contentious intellectual property matters. He is the Chair of the European Communities Trade Mark Association's Brexit working group and the Vice Chair of the International Trade Committee, and is well placed to advise on matters relating to Brexit and intellectual property.