

IP: No Deal planning

27 September 2019

In a no-deal outcome, the main areas of concern for IP owners are the potential loss of pan-European rights, notably EU Trade Marks and designs in the UK and loss of protection in other areas due to cross-border mechanisms ceasing to apply or a lack of reciprocal recognition by the EU of UK rights.

On a no deal Brexit:

- **EU Trade Marks and Community registered designs existing at exit day will have continuity of protection in the UK.** The IPO will grant comparable rights for the UK automatically and free of charge though owners will have increased costs in matching both an EU and UK right. Owners of pending European applications can apply for an equivalent UK application but must do so within 9 months to preserve the original filing date. This will involve paying another set of application fees.
 - **IP owners will lose the ability to enforce EU trade marks and designs across the EU,** including the UK and to get relief for the EU and the UK together. Separate actions to enforce UK rights will be required.
 - **A number of cross-border mechanisms relating to certain copyright and database rights will cease to apply.** Notably there will be no obligation for EEA states to provide *sui generis* database rights to UK nationals; these database rights may be unenforceable in the EEA.
 - **There is uncertainty whether the EU will recognise EEA exhaustion for UK goods.** Businesses may need consent to export IP protected goods that have been legitimately put on the market in the UK to the EEA. In the short term, parallel goods can continue to be imported from the EU to the UK but it is not known whether the EU will grant reciprocal recognition of exhaustion for UK goods going into the EU if there is no agreement with the EU.
- **UK companies and individuals will no longer be eligible to register .eu domain names or renew existing ones.** Existing .eu domains may be revoked if the holder no longer fulfils the eligibility criteria.
 - **Customs enforcement procedures will change.** Rights owners will no longer be able to submit an application to UK customs authorities requesting that EU member states take action. Two applications will be required (UK and EU) to request action in relation to suspected infringing goods and there is uncertainty whether EU applications previously granted by UK customs will still be valid in EU27 at exit date.
 - **Patents will be largely unaffected.** European Patents are granted outside of the EU regime and will continue to be granted and enforced in the same way. The current regime for Supplementary Protection Certificates (SPCs) will be maintained in the UK after exit and existing EU requirements in respect of biotechnology patents, compulsory licensing arrangements and research exemptions for pharmaceutical patents will be adopted. There is still no clarity on whether it will be possible for the UK to remain within the Unified Patent Court and unitary patent system which remains stalled.
 - **Territorial scope of IP licences will change** and parties will need to reflect this in future agreements and may need to clarify existing ones.

IP if there is a deal:

If a deal can be obtained before Brexit, it is likely that the IP position will remain as set out in the Withdrawal Agreement as agreed in 2018. Broadly, the position will be the same as above but there

may be greater scope for the UK and EU to agree special arrangements in relation to exhaustion of rights and cooperation on cross border mechanisms to protect IP rights and participation in the Unitary Patent and Unified Court system.

Further detail on these and other key issues are set out in our IP No Deal table below.

IP Right	No Deal
<p>EXISTING registrations:</p> <p>EU Trade Marks (EUTM)</p> <p>Registered Community Design (RCD)</p>	<p>Receive equivalent right under UK law which comes into force on exit day. Referred to as: comparable right (trade marks) and re-registered design (designs)</p> <p>Created free of charge with as little “minimal administrative burden as possible”</p> <p>Fully independent rights which can be challenged, assigned, licensed or renewed separately from corresponding EUTM</p> <p>Retain filing dates and will inherit priority and/or seniority dates of corresponding EU registration</p> <p>TRADE MARKS: Number given to new mark: last 8 digits of corresponding EUTM prefixed with UK009</p> <p>Renewal in UK on same date as corresponding EU right and separate fees for UK and EU – i.e. double renewal fees payable</p> <p>Ability to opt-out of equivalent UK right</p> <p>Pre-exit licences/security interests relating to existing EU right will continue to have legal effect in UK; extended period (12 months) from exit day to record with IPO</p> <p>Equivalent right will be granted to owner on the EUIPO register</p> <p>Enforceable in the UK courts and IPO</p>
<p>PENDING Applications and opposition/invalidity proceedings</p> <p>EUTMs and RCDs</p>	<p>APPLICATIONS: 9 month period from exit day to file equivalent UK application</p> <p>Normal application process – fee payable</p> <p>Onus on applicant to re-file; no notice given</p> <p>Filing dates, claims to earlier priority and UK seniority maintained</p> <p>OPPOSITIONS/INVALIDITY: from withdrawal date, proceedings based solely on UK earlier rights will automatically be dismissed. New actions should be based on rights in EU27. Risk that proceedings at early stage and not decided before withdrawal date will be suspended</p>
<p>Madrid and Hague system International Registrations (IRs) designating EU</p>	<p>Receive equivalent UK right</p> <p>9 months from exit to make UK application retaining filing/priority dates</p>
<p>Unregistered Community Design (UCD)</p>	<p>UK to provide continued protection for UCDs existing at exit day</p> <p>Creation of new unregistered design right in the UK for designs first disclosed in the UK after exit day: “Supplementary unregistered design right”</p> <p>Will arise automatically</p> <p>Mirrors UCD system</p>
<p>Geographical Indications (GIs)</p>	<p>UK to establish independent UK GI scheme</p> <p>To provide all existing UK GIs (86) with new UK GI status automatically</p> <p>To broadly mirror current EU regime</p> <p>UK no longer required to recognise EU GI status but EU producers can apply for UK GI status – no automatic grant</p> <p>GI product producers will have three years from the launch of the UK schemes to comply with new UK GI logo rules; Defra are expected to publish the relevant rules in October 2019</p> <p>Unless agreement reached with EU, UK GI right holders will lose their EU right</p> <p>Onus on UK GI product producers to prepare application to regain EU GI status by showing GI protected in the UK. Consider applying for EU Collective Marks or EU Certification Mark</p>

IP Right	No Deal
UK patents, applications; EP applications	Largely unaffected by Brexit
Supplementary Protection Certificates (SPCs) Biotech inventions Compulsory licensing Pharmaceutical product testing exceptions	Current EU law will be retained in UK law under the EU Withdrawal Act 2018 Existing rights and licences in force in the UK remain in force after exit Existing SPC regime will operate independently from the EU Pending applications for patents and SPCs assessed on same basis Existing legal proceedings involving SPCs and compulsory licences continue unaffected Validity challenges on same grounds as at present
Unitary patent and Unified Patent Court	Still not in force as German ratification of the UPC legislation is outstanding. UK domestic legislation to bring it into force will never take effect in the UK if no deal - no changes for UK and EU businesses. UK to explore staying in the UPC and UP system but may have to withdraw from UPC and UP systems. If so: UP/UPC not available for protection and enforcement of inventions in the UK - file national patents/European patents designating UK UK businesses can still use UPC and UP system to protect inventions in EU27 UK businesses still subject to litigation based on infringing activities in EU27
EU cross-border copyright mechanisms	Cease to apply to the UK from exit day – loss of rights No obligation for EEA states to provide database rights to UK nationals – UK owners will no longer be eligible for sui generis database rights Portability Regulation will not apply Simplified clearance system will not apply to UK-based broadcasters UK-based institutions may not benefit from exception to infringement for publication of orphan works UK Collective Management Organisations no power to mandate EEA organisations to provide multi-territorial licensing Cross-border transfer affected between exit day and ratification of Marrakesh Treaty
Exhaustion of rights	Short term: preserve status quo by adopting EEA exhaustion. After exit day: IP protected goods placed on EEA market with consent would continue to be exhausted in the UK. Parallel trade in these goods from the EEA can continue unaffected Unclear whether EU will give reciprocal protection and recognise EEA exhaustion for UK goods. Business must check whether consent is required to export from the UK to the EEA IP protected goods that have been legitimately put on the market in the UK. Long term: Government to consult on regime to be applied.
.eu domain names	After exit, UK companies and individuals will no longer be eligible to register .eu domain names or renew existing ones registered before the UK's withdrawal If an existing UK registrant is unable to satisfy the eligibility criteria (i.e. that they have a legally established entity in the EEA) within a two month grace period of the UK's exit (1 January 2020), the .eu domain names will be withdrawn and become inoperable. One year from exit, domains will be revoked and made available to others
Customs enforcement	EU Regulation No. 608/2013 retained under the EU Withdrawal Act 2018 (as amended by SI) allows rights owners to apply to UK authorities for action to be taken by UK customs authorities at UK borders No longer possible to file Union applications with UK for action to be taken in the EU Two applications now required – UK and EU Uncertain whether Union AFAs previously granted by UK customs will still be valid in EU 27 at exit date. Possible need to re-file in EU27 custom authority



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