

EU IP and Brexit

The UK has now given formal notice to the EU under Art 50 of the Treaty of Lisbon of its intention to leave the EU. That notice triggers a two year period ending 29 March 2019 for the exit negotiations to be concluded. In the notice, the UK has set out seven principles to guide those negotiations. Businesses and other IP rights-owners will be reassured to see that those principles include working to “minimise disruption and give as much certainty as possible” to investors, businesses and citizens. One point we can all be certain on is that Brexit will have consequences for IP owners. For our take on that, please read on.



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Brexit and Patents

Patents in the UK are granted by the UK Intellectual Property Office under the UK Patents Act 1977 or by the European Patent Office under the European Patent Convention. Neither of those routes are dependent on EU membership and so they will be unaffected by Brexit, as will be the status of UK-based European Patent Attorneys. One area where there is potential for Brexit to have an impact on patent law is the Unitary Patent and the Unified Patent Court. Those are EU-initiatives which are expected to come into force within the next 12 months.

Brexit, the Unitary Patent (UP) and Unified Patent Court (UPC)

Despite the uncertainty caused by Brexit, both the UK and the other participating states have decided to push forward with this project. As the agreements currently stand the UK's involvement is essential for the project to come into effect, and because the UK will remain in the EU for at least 2 years from 29 March 2017, the Unitary Patent and Unified Patent Court are expected to start operating with the UK as a full participant. The exact timing will depend on the date at which the UK and Germany deposit instruments of ratification of the UPC Agreement, but all indications are that this will happen before the end of 2017, with 1 December 2017 being suggested as a possible start date.

It will be possible to opt existing European patents out of the jurisdiction of the new court. A sunrise period for filing opt outs from the jurisdiction of the new Court is expected to open in August or September 2017.

It is not known whether the UK will continue to participate in the Unitary Patent system and Unified Patent Court after it has left the EU or whether it will leave with jurisdiction over existing rights reverting to the UK Patent Office and UK Courts.

Opting Out of the Unified Patent Court

We recommend that owners of European Patents start thinking now as to whether or not they will wish to opt those rights out of the jurisdiction of the new Unified Patent Court. Many patent owners are deciding to opt out at least some of their rights because of the inherent uncertainty of the new Court and because they are likely to have the option to withdraw the opt out and use the new Court should they wish to at a later date. The uncertainty surrounding Brexit has for some patent owners shifted the balance further in favour of opting out, especially for cases where the UK is an important jurisdiction.

Using the Unitary Patent – a new option for validation

Once the Unitary Patent system is up and running, choosing to validate a newly-granted European Patent as a

Unitary Patent will be attractive to many patent owners because it allows a single translation and a single set of renewal fees to be used to validate and maintain the patent in at least Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Italy, Luxembourg, Malta, the Netherlands Portugal, Sweden and the UK. For patent owners intending to validate a European Patent in more than four or five of the above countries, this is likely to bring a cost saving. Patent owners who wish to take advantage of this potential cost saving, and those who just want to keep their options open, may wish to take steps to delay grant of their European Patents until after unitary validation becomes available at the end of 2017. There are procedural steps which can be used to accomplish this and you should discuss the options with the prosecuting attorney if you would like to know more.

Brexit and the European Union Trade Mark and Design system

The European Union Intellectual Property Office (formerly known as OHIM) is an EU institution and so the eventual departure of the UK from the EU will have more impact on the EU Trade Mark System and the (European) Community Design System which are administered by EUIPO. The implications for trade mark and design owners will become clearer as the exit negotiations proceed over the next two years.

What is clear is that transitional provisions are required to preserve EU Trade Mark owners' existing rights in the UK from the date of Brexit. The UK Chartered Institute of Trade Mark Attorneys (CITMA) and the UK Intellectual Property Office continue to discuss the details of such possible transitional provisions.

CITMA and the UKIPO are considering in detail two possible transitional arrangements, both of which would allow existing EU Trade Marks to be entered onto the UK Trade Mark Register as corresponding national rights upon the UK's exit from the EU. The first option ("the Montenegro model") would allow all existing EU Trade Mark Registrations to be automatically entered onto the UK Register as UK Trade Mark Registrations. The second option ("the Tuvalu model") would require EUTM owners to file a form to request extension of their existing EUTM Registrations to the UK.

Both of these options would provide a relatively straightforward transition and, in our view, brand owners with EU Trade Mark Registrations, or pending Applications filed prior to a date in the future yet to be determined, will be able to rely on these transitional arrangements to ensure that their marks continue to be protected in the UK. Meanwhile, the UKIPO has reported an increase in the number of UK Applications filed in this financial year, with the most trade mark filings ever in a single month in February 2017. The UKIPO is recruiting additional Trade Mark Examiners to ensure that the UKIPO has the resources to deal with this increase in UK Applications and examination of Applications is currently only taking around 6-10 days, which is the quickest it has ever been.

Notwithstanding the UK's eventual exit from the EU and until the exact nature of the transitional provisions are known, we are not at this stage systematically advising brand owners to file Applications for new trade marks in both the UK and EU, nor do we think it is necessary in many cases to seek protection of EU marks and designs by way of new UK applications.

However, brand owners may wish to consider filing additional UK national applications for key trade marks and designs of particular strategic importance. We can of course assist with this and file UK and EU Applications on your behalf.

We are also, as previously advised, putting in place arrangements to ensure we retain rights of representation before the EUIPO when the UK does leave the EU, so that we can continue to represent all of our clients in EU trade mark and design matters no matter what form Brexit takes. At the time of Brexit we will be well-positioned to be a one-stop shop for both UK and EU trade mark and design applications.

Summary

The UK has now taken a further step towards leaving the EU, and the deadline under Art 50 of the treaty of Lisbon for the UK's exit is 29 March 2019. That will have a significant effect on the operation of the trade mark and design registrations systems, and UK national filings of those are already increasing. The existing UK and European patent systems will be unaffected by Brexit. The UK will almost certainly participate in the forthcoming Unitary Patent and Unified Patent Court systems but whether that participation can last after the UK leaves the EU is not known.

We certainly live in interesting times and Abel & Imray will be helping you make sense of the changes and identify the risks and opportunities. We remain a European IP firm and we are committed to continuing to provide the same service that we have always provided both in the UK and EU. If you wish to know more, please get in touch with one of our team.