Newsletter Brexit

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UKIPO's updated Guidance on Brexit – August 2018

We have previously reported (please see our newsletter from March 2018) that the UK and the EU had, in principle and subject to the agreement of the draft Withdrawal Agreement, agreed that the owners of existing EU trade mark and design registrations would become the holders of comparable UK registrations at the time of Brexit (see here - in particular Article 50 (1)).



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However, the UK and the EU had not in March agreed as to the procedure and/or costs associated with the creation of parallel rights in the UK. That was made clear because the relevant draft <u>Article (see Article 51</u> <u>here)</u> was not highlighted in green in the draft unlike other Articles where the UK and the EU were in full agreement.

We are therefore pleased to report that the UKIPO has now updated its guidance relating to Brexit <u>(see here)</u> and in particular its guidance as to how existing EU trade mark and design registrations will be treated at the time the UK leaves the EU.

The updated guidance covers both Brexit scenarios, namely a withdrawal pursuant to the terms of an overall Withdrawal Agreement or, in the alternative, a "no deal" Brexit.

The position in the event that the UK and the EU enter into a Withdrawal Agreement is now as follows:

Subject to agreement of the Withdrawal Agreement, we will continue to protect all existing registered European Union Trade Marks, Registered Community Designs, and Unregistered Community Designs as we leave the EU. We will do so by creating over 1.7 million comparable UK rights, which will be granted automatically and free-ofcharge. It is very pleasing to note that the UK has confirmed, in principle and subject to settlement of the overall Withdrawal Agreement, that the creation of UK rights corresponding to existing EU trade mark and design registrations will be automatic and free-of-charge.

The position in the event that the UK leaves the EU without having concluded a Withdrawal Agreement, namely the co-called "no deal" Brexit.

The UKIPO's updated guidance confirms as follows:

We recognise that owners of existing EU trade marks [and designs] want clarity over the coverage of those rights when the UK leaves the EU. In any scenario, including one which does not involve a deal between the UK and the EU, the government will seek to minimise disruption for business and to provide for a smooth transition. For existing EU trade marks [and designs], this means that for all scenarios, the government aims to ensure continuity of protection and avoid the loss of those rights.

It is again encouraging that the UK will, in the event of a "no deal" Brexit, take unilateral steps aimed at ensuring that owners of EU trade mark and design registrations will enjoy continued protection of those rights in the UK.

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The updated guidance is silent as to the process and/or costs involved in the event of a "no-deal" Brexit. Clients should rest assured, however, that the UK IP profession will continue to advocate that the creation of UK rights corresponding to existing EU trade mark and design registrations should be automatic and free-of-charge, irrespective of when and in what circumstances the UK leaves.

Pending EU trade mark applications

The updated guidance makes no reference to pending EU trade mark and design applications and our working assumption is therefore that the owners of such rights will have a nine-month period following Brexit in which to apply in the UK for the same mark or design, with the resulting UK application bearing the same filing date as the original EU application.

Filing Strategies for the UK and the EU

In the light of the updated guidance, we maintain our view that it is not necessary for brand owners systematically to seek protection of their EU marks by way of new UK applications, unless those trade marks are of particular strategic importance.

Rights-holders who already own parallel UK and EU Registrations for the same trade mark, where the EU trade mark claims seniority from the UK Registration, would be well advised to continue to renew both parallel Registrations for the time being.

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Although it seems from the UKIPO's latest guidance that EU designs will give rise to comparable UK design rights irrespective of the terms of Brexit, the additional costs of protecting a design separately in the UK are quite low. In those circumstances and given the issues of novelty which affect designs (but not trade marks), clients might therefore seek to file applications for new designs both in the EU and in the UK from now on.

Representation before the EU

Abel & Imray is a European IP firm and we will continue to be a European IP firm after Brexit. No matter what form Brexit takes, we have already taken steps to ensure that we will continue to represent clients in EU trade mark and design matters before the EUIPO.

If you have any questions relating to Brexit, please contact your usual Abel & Imray attorney, or email brexit@abelimray.com.