



IP in a world of change : Europe and Brexit; United States and its exit from the TPP; where does IP protection come in?

Brexit and Trade Marks

Jonathan Clegg, Partner
Cleveland Scott York

20 August 2017

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Introduction to Brexit

- 23 June 2016 – the UK voted in a referendum to leave the EU
- 29 March 2017 – UK Prime Minister triggers Article 50 of the Lisbon Treaty
- 2 year leaving process now underway
- What happens after 29 March 2019?

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Introduction to Brexit (2)



- UK still currently an EU Member - “business as usual”?
- Has a “Withdrawal Agreement” been concluded by 29 March 2019?



Yes

UK out of EU

No

Either
or

Extension of deadline?
No extension – UK out of EU

- What will that exit look like?

Hard Brexit

vs.

Soft Brexit



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Hard Brexit – likely elements



- Cutting main formal ties with the EU
- Leaving the EU single market completely
- Leaving the EU customs union
- Having complete control over its borders
- Moving outside EU legislation and courts
- Negotiating trade deals from the starting point of the WTO



ie. Moving right away from the EU



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Soft Brexit – likely elements



- Retaining aspects of the existing relationship with the EU
- Creating new arrangements which mirror the present ones
- Potentially retaining access to the single market
- Potentially staying in the EU customs union

ie. Reducing or minimising the move away from the EU



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Hard Brexit vs. Soft Brexit

- A spectrum of possible relationships between the UK and EU after 19 March 2019
- Not a binary choice
- Subject of negotiation at a granular level
- Overall position will only be apparent at end of process

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Brexit and IP – Effects on Intellectual Property



- Affects primarily trade marks and registered designs



- EUIPO - an EU institution
 - administers the EUTM and RCD systems



- After March 2019 – absent an agreement to the contrary – EUTMs & RCDs will no longer have effect in the UK



- UK's membership of the European Patent system unaffected by Brexit – the EPO is not an EU institution.



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Brexit and Trade Marks

- >1 million registered EUTMs
- ‘EUTM’ needs to transition to ‘EUTM + UK TM’
- What will the transitional provisions be?
- Uncertainty at present as to
 - which transitional model will be adopted
 - when this will happen
 - what the cost to business (if any) will be

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Brexit and Trade Marks – Transitional Provisions



Originally >10 suggested options, then 7, now 1 or 2



1. “Montenegro Model” – the most likely model but requires the UKIPO’s agreement

2. CITMA lobbying strongly for “EU Plus Model”



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





The Montenegro Model



UK Government provides for the automatic entry of all EUTMs (and RCDs) onto the UKIPO's register with the same scope of protection, registration date and, where applicable, priority and seniority as the existing EU registration.



- Unilateral step for the UK ie. no UK/EU agreement needed
- Low cost to business
- Relatively simple process – an IT task
- High level of legal certainty



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





The EU Plus Model



The UK continues to be part of the EUTM and RCD systems – the EUTM system would essentially become the ETM system.



- Minimises costs to business
- Ensures legal certainty
- Maintains inherent advantages of unitary rights going forward – not just as a transitional provision



BUT.....

- Would require bilateral UK/EU agreement
- Likely to be politically problematic
- Timescale for effective commencement could be drawn out



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





The Montenegro Model – consequential issues

- Intent to use
- Non-use cancellation
- Seniority
- Pending applications and ongoing proceedings
- Language
- Address for service

None of these are insurmountable - this model would be a good outcome for the business community

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Brexit and Trade Marks – post transition



Assuming Montenegro Model:



- Businesses will need separate UK and EUTM registrations
- There will be extra costs for Brazilian/Latin American businesses
 - a UK application on top of the same EU fees as you are used to
- Expect to see competitive UK/EU ‘package’ rates offered
- Need for separate UK applications is only avoidable if EU Plus Model (or similar) is adopted – unlikely!



XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Brexit and Trade Marks – Representation Issues

- EUIPO rules of representation (Art's 92 and 93 EUTMR)
- Requirements: EEA place of business and qualification in EEA state
- UK (via CITMA) lobbying for UK attorney representational rights to be maintained post-Brexit
- Absent agreement with the EU, default position is that these rights will cease

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI





Brexit and Trade Marks – some practical considerations

- Brazilian/Latin American businesses should start focusing on the UK and the EU separately from now
- Review whether to file separate UK applications between now and March 2019
- Post-Brexit there will be additional costs to businesses wanting EU and UK protection (absent the EU Plus Model or similar)
- These are undesirable but not at too onerous a level
- Still many unknowns in the big picture

XXXVII

CONGRESSO INTERNACIONAL DA PROPRIEDADE INTELECTUAL DA ABPI
INTERNATIONAL CONGRESS ON INTELLECTUAL PROPERTY - ABPI

