



## How will the United Kingdom's departure from the European Union affect pan EU Trade Mark and Design rights?

On June 23, 2016, the British people voted that the United Kingdom (UK)<sup>1</sup> should leave the [European Union](#) (EU). Now that the formal instrument of departure notification has been invoked by the British Government under Article 50 of the [Lisbon Treaty](#), a fixed period of two years will be allowed for the UK to negotiate its future relationship with the EU. The first ('Divorce') phase of negotiations were successfully concluded towards the end of last year. The talks between the UK and the European Union are now in the second ('Transition') phase to discuss what obligations the UK will have to the European Union between departure at the end of March 2019 ('Brexit') and an eventual trade agreement.

The impact of Brexit on pan-EU Intellectual Property rights will be immense. There can be little doubt that the UK departure will affect the pan-EU Trade Mark (EUTM) and Design rights (RCD) insofar as they cover the UK. This following is therefore intended to provide guidance on the effect Brexit will have on EU Soft IP rights, e.g. EUTMs and RCDs.

### 1. What effect will the Brexit vote have on existing EU trade mark and designs?

At this stage, it is very difficult to anticipate what effect Brexit will have on existing EUTM and RCD rights. The complex process of unravelling EU IP rights protected in the UK will begin only after the UK and the EU reach agreement. Until the UK's departure at the end of March 2019, EUTMs and RCD's will continue to be fully enforceable in the UK.

Following Brexit, businesses should expect that their EUTMs and RCDs will no longer be automatically protected in the UK. You should therefore consider the following:

#### a) European Union Trade Marks (EUTMs)

It is possible that conversion of the UK part of EUTMs into national UK registered rights will be allowed as part of a future agreement between the UK and the EU, but there is no guarantee of this<sup>2</sup>. If negotiations between the UK and the EU do not conclude successfully, it is quite possible that EUTMs and RCDs will not be recognised in the UK, post Brexit. In view of the uncertainty relating to the UK's departure from the EU, TIERNEY IP is recommending to its clients that, if the United Kingdom is a significant market for you, you should:

- (i) keep in place existing EUTMs,

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<sup>1</sup> England, Scotland, Wales and Northern Ireland. Please note the United Kingdom does not include the Republic of Ireland (Ireland) which is a separate EU Member State.

<sup>2</sup> During a House of Commons debate on 19 July 2018, Under Secretary of State, Robin Walker announced that the UK government will allow for the automatic conversion of pan European Union trade marks (EUTMs) and designs (RCDs) into United Kingdom registered rights without the levy of additional fees. This proposal is not yet enacted law.

- (ii) consider filing new UK trade mark applications for the same trade mark as your EUTMs and;
- (iii) file both EUTMs and UKTMs for new trade marks.

#### **b) European Union Design registrations (RCDs)**

Filing new UK design applications for the same design as an existing pan EU Design registration (RCD) is not feasible as the novelty of the later filed UK Design application will be destroyed by the publication of the earlier RCD. For this reason, the UK and EU is likely to agree for the automatic extension of existing RCDs in the UK. In the meantime, EUTM and RCD holders should continue to renew and maintain existing RCDs as they will still have effect in the remaining 27 Member States of the EU. For new designs, you should seek protection in both the UK and the EU at the same time.

### **2. Will it still be possible to enforce EUTMs and RCDs in the United Kingdom following Brexit?**

It is unlikely that it will be possible to enforce EUTMs and RCDs in the UK after Brexit. Courts in the UK will only have jurisdiction to determine cases for infringements of UK registered trade marks and designs within the UK. It will also no longer be possible to enforce pan-EU injunctions relating to infringements of EUTMs in the UK. Also, the UK will no longer be bound by rulings from the Court of Justice of the European Union. Likewise, it is unlikely that decisions from UK courts concerning Intellectual Property rights will be recognised or enforced in EU Member State courts.

### **3. What to do if an EUTM is only used in the United Kingdom?**

Following Brexit, an EUTM which has only been used in the UK pre Brexit may be vulnerable to cancellation on the grounds of non-use, even if use continues in the UK. However, it is likely any use in the UK before Brexit takes place will be taken into account by the European Union Intellectual Property Office (EUIPO) and EU courts.

If an EUTM is just used in both Ireland and the United Kingdom following Brexit, it is possible that use in Ireland will be considered sufficient to save it from cancellation, even if an EU court does not take into account the UK use. This however will depend on the market within which you operate and whether use of your EUTM has shown sufficient market share.

After Brexit, if you are applying to register an English language mark as an EUTM and are relying on acquired distinctiveness through use in the UK, it is possible that the EUIPO may not recognise that use. As Ireland and Malta will be the only *de jure* English speaking countries in the EU after Brexit, you should ensure that your trade mark is used in Ireland and Malta if seeking to secure registration on the basis of acquired distinctiveness.

### **4. Will I be able continue using a UK lawyer or UK Trade Mark Attorney for EUTMs and Designs?**

UK lawyers (Barristers and Solicitors) will continue to have rights of access before the EUIPO after Brexit, provided they or their firm have a substantial place of business in another [EEA Member](#)

[State](#)<sup>3</sup>. British lawyers solely based in the UK will not be entitled to act on your behalf before the EUIPO.

Post Brexit, UK lawyers will **not** be entitled to act before the Court of Justice of the European Union (CJEU) on behalf of clients, unless they are also qualified in an EEA Member State.

UK nationals who are on the EUIPO list of Professional Representatives<sup>4</sup> will **not** be entitled to act before the EUIPO post Brexit. Even if a UK based Registered Trade Mark Attorney re-qualifies in EEA Member State, he or she will still not be entitled to act unless they are a national of an EEA Member State.

As an Irish citizen, lawyer and Registered Trade Mark Attorney qualified in Ireland, our Managing Director, Niall Tierney is **NOT** affected by the Brexit vote. Niall is authorised to act before the EUIPO on the basis of his Irish legal qualifications of 'Barrister-at-Law' and 'Registered Trade Mark Agent'. Niall is also qualified as a Registered Trade Mark Attorney in the UK and will therefore be able to continue acting on your behalf before the UK Intellectual Property Office (UKIPO), at least up until Brexit. Post Brexit, the ability for UK Registered Trade Mark Attorneys resident in an EU Member State to act before the UKIPO will very much depend on whatever deal the UK Government reaches with the EU.

#### **5. Why you should consider using an Irish lawyer to act on your behalf?**

Following the UK's departure from the EU, Ireland will be the only official English speaking Common law country within the EU. Like the UK, Ireland has a Common law system which dates back to the 12<sup>th</sup> century. Intellectual Property rights, including EUTMs and RCDs, are also protected under Ireland's Constitution, in addition to being protected under statute and at Common law.

Ireland's Commercial Court is one of the most efficient and technologically advanced in the EU and it is authorised to hear Trade Mark and Design infringement and Passing off cases. Typically, cases can be determined within six months from commencement of proceedings. Cases are heard in English as a matter of course.

After Brexit, the European Union Trade Mark Court in Dublin will be the only English speaking court in the EU to hear and determine infringements and other actions relating to EUTMs and RCDs. Ireland will also have the only English speaking court in the EU to grant EUTM pan-EU injunctions.

#### **6. Will Brexit affect existing IP agreements?**

You may have concluded agreements with third parties which refer to the EU or are governed by EU law. Most agreements covering EUTMs and RCDs must comply with EU law, e.g. no challenge clauses are generally frowned upon by the EU courts. By way of illustration, you may have

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<sup>3</sup> The United Kingdom is currently a member of the EEA by virtue of being a member of the European Union. When it leaves the European Union, it is likely the United Kingdom will have to re-apply for EEA membership in its own right.

<sup>4</sup> This is a list of mainly non lawyers who are either Registered Trade Mark Attorneys or individuals who have acted in Trade Mark matters for a continuous period of five years.

concluded a trade mark licence agreement which governs the use of your or the other party's Soft IP rights covering the EU. These agreements will need to be reviewed to assess what their effect will be in the UK after Brexit. It possible that these agreements may no longer be enforceable in the UK post Brexit.

## 7. What you should do now?

- i. Undertake an audit of your IP portfolio if it contains EU Soft IP rights. You should then contact TIERNEY IP for further advice and assistance.
- ii. Think of who you will instruct as your EU IP lawyer after Brexit. It is likely that UK lawyers will have limited or no rights of access and representation before the EUIPO and EU courts following Brexit. If you are a business which operates in a Common law country (e.g. Australia, Canada, India, New Zealand and the United States of America) and you own pan EU Trade Mark and Design rights, you should give strong consideration to using an Irish qualified IP lawyer as he or she will be familiar with many Common law concepts and IP jurisprudence.
- iii. Undertake a review of your existing IP agreements covering the EU or governed by EU law.
- iv. Reconsider your enforcement strategy if your portfolio has EUTMs or RCDs.

### Summary

There is no doubt that the decision of the British people to leave the EU will give rise to many years of uncertainty. Our recommendation to clients is plan for the worst case scenario, i.e. divorce from the EU which results in pan-EU rights **not** being recognised, protected and enforced in the UK. Therefore, you should now start reviewing your IP filing, protection and enforcement strategies insofar as they affect pan-EU Soft IP rights.

For further advice and assistance, contact Niall Tierney at [niall@tierneyip.com](mailto:niall@tierneyip.com) or on 353-1-2544116.

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