



WELCOME!



# **BREXIT-PROOF** YOUR TM PORTFOLIO

Breakfast Seminar at INTA | May 21 | Seattle

**PRESENTED BY:**

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**PRE-BREXIT LANDSCAPE**  
with Dewdney Drew



# WHAT IS BREXIT?

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Brexit (noun):

***“The withdrawal of the United Kingdom from the European Union.”***

[www.oxforddictionaries.com](http://www.oxforddictionaries.com)



# BREXIT: WHAT HAS HAPPENED?

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- Brexit hasn't happened yet
- Brexit referendum: **23 June 2016**
- Article 50 triggered, to formally start separation process: **29 March 2017**



# BREXIT: WHAT HAS HAPPENED?

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10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

29 March 2017

*Dear President Tusk*

On 23 June last year, the people of the United Kingdom voted to leave the European Union. As I have said before, that decision was no rejection of the values we share as fellow Europeans. Nor was it an attempt to do harm to the European Union or any of the remaining member states. On the contrary, the United Kingdom wants the European Union to succeed and prosper. Instead, the referendum was a vote to restore, as we see it, our national self-determination. We are leaving the European Union, but we are not leaving Europe – and we want to remain committed partners and allies to our friends across the continent.



# BREXIT: WHAT WILL HAPPEN?

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- Draft withdrawal agreement published: **19 March 2018**
- What's going to happen?
- 3 phases:
  - Pre-Brexit
  - Transition period
  - Post-transition period



# 3 PHASES OF BREXIT

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“Brexit Day”

23:00 GMT on 29 March 2019





## **3 PHASES OF BREXIT**

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### **TRANSITION PERIOD:**

23:00 GMT on 29 March 2019 up to 23:00  
GMT on **31 December 2020**

**FULL SEPARATION FROM THE**  
**START OF 2021**



## PRE-BREXIT

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- UK still a member of the EU
- All EU Law still fully applicable in the UK
- European Trade Mark (“EUTM”) Registration still covers the UK
- An EUTM application filed now will still cover the UK
- The validity of an EUTM registration can be maintained by usage in just one EU country, including, at the moment, the UK
- EUTMs can form the basis for a pan-EU injunction and UK courts can be used for this purpose
- UK national applications or registrations still constitute earlier rights as against EUTM applications or registrations
- UK may still refer questions of interpretation of EU Law to the Court of Justice of the European Union (CJEU)
- Paris Convention priority continues to function as normal



## PRE-BREXIT

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- EUTMs cover all 28 members of the European Union
- EUTMs represent a very cost effective way of protecting your trade mark in the EU and thus remain attractive
- EUTMs remain popular in the UK, a main hub of EUTM filing activity, alongside Germany
- EUTMs can be designated via the Madrid System and still cover the UK at present
- UK applications or registrations can form the basis for Madrid Registrations designating the EU



# BREXIT PROOFING DURING PRE-BREXIT PHASE

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- If you are filing for the first time in the EU, it may be prudent to file both an EU application and a UK application (we would recommend UK and EU routes, rather than Madrid Protocol, so as to benefit from broader specifications)
- If you already have an EUTM, should you file a UK?
- Possibly, especially for core or house marks but bear in mind that priority will not be maintained unless you are doing this inside the 6 month priority window. The Draft Agreement provides some comfort here but there are some open questions especially in relation to cost.
- If your only area of usage is the UK (and you only have an EUTM), a separate UK application may be prudent
- If you have UK registrations that form the basis of a seniority claim on an EUTM, you may wish to refrain from lapsing those UK registrations, if they are still valid
- Review agreements that refer to the EU as a territory



# BREXIT PROOFING DURING PRE-BREXIT PHASE

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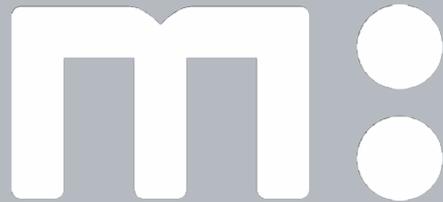
- While the Draft Agreement gives comfort, if no agreement is reached, the position is very unclear and potentially chaotic
- Redundancy can provide ultimate safety – UK and EUTM can't hurt
- Migrate portfolio to a firm that has representation inside and outside the EU, so as to cover all contingencies



# MURGITROYD LOCATIONS

- Direct representation in 15 European territories through our office network
- 16 offices worldwide
- Further global representation through a carefully selected network of partner firms vetted under ISO 9001:2008
- Direct pan-European IP office representation – before WIPO, EPO & EUIPO





**POST BREXIT LANDSCAPE**  
with Joanne Lecky



## BREXIT: RECAP

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- The UK is set to leave the EU at **23:00 GMT on 29 March 2019**
- Transition period has been agreed until **31 December 2020** during which the current intellectual property framework covering the EU and UK will remain substantively the same
- The latest paper on Brexit from the European Commission was published on **19 March 2018**



## ARTICLE 50

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The opening part of the agreed text in Article 50 (1) (a) reads:

1. The holder of any of the following intellectual property rights which have been registered or granted before the end of the transition period shall, without any re-examination, become the holder of a comparable registered and enforceable intellectual property right in the United Kingdom, as provided for by the law of the United Kingdom:

**(a)** the holder of a European Union trade mark registered in accordance with Regulation (EU) 2017/1001 of the European Parliament and of the Council 27 shall become the holder of a trade mark in the United Kingdom, consisting of the same sign, for the same goods or services.



## ARTICLE 50

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- Paper highlights points in the European Commission's draft withdrawal agreement "agreed at negotiators" level
- Intention to create an equivalent "cloned" right in the UK
- Same filing, priority and seniority dates of the EU registration and with no formal examination
- Progress towards providing certainty but the agreement is not yet finalised and further changes could occur



# WHAT DOES IT MEAN FOR EU TRADE MARKS?

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- EU trade marks and international trade marks designating the EU which are registered at the end of the transitional period will automatically give rise to identical registered rights within the UK
- No current agreement that EU trade mark applications at the end of the transitional period will automatically give rise to corresponding prior rights in the UK
- Therefore, after the transitional period any pending EU trade mark applications will only result in registered rights covering the remaining 27 EU countries, and not the UK



# WHAT DOES IT MEAN FOR EU TRADE MARKS?

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- But following transitional period, owners of EU trade mark applications that are still pending will have nine months, (i.e. until **30 September 2021**), to file corresponding UK national applications that claim priority or seniority from their EU applications
- Administrative details of process are as yet unclear including costs and burden on UK IPO national office



## INTENT TO USE

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- UK national applications (and UK designations of International registrations) require a bona fide intent to use on filing
- EU TM applications do not and entering EU trade mark registrations onto the UK register without provisions on intent to use could undermine the state of the UK register
- That all newly created UK cloned registrations should have a (rebuttable) presumption of intention to use, or
- The form/system for opting in to entry onto the UK register for a cloned registration should include a declaration of actual use/intent to use



# SENIORITY CLAIMS

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- Concept to allow backdating EUTM rights to date of earlier national right in member state
- A large number of existing EUTM registrations have UK seniority claims, where earlier UK trade mark registration has been allowed to lapse
- Without specific provision, these earlier rights would be lost
- CITMA has proposed that all lapsed UK trade mark registrations for which there is a valid seniority claim should be revived (with no back-dated renewal fees)



## ONGOING PROCEEDINGS: REFUSAL OR INVALIDITY OF EU TRADE MARKS OR INTERNATIONAL TRADE MARKS

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- An EU trade mark or an international trademark designating the EU is invalidated or revoked in the EU from a process that was still ongoing at the end of the transitional period
- The corresponding UK right will also be invalidated or revoked from the same date



# GROUNDS TO REFUSE OR INVALIDATE A CORRESPONDING UK TRADE MARK

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- A UK right that corresponds to an EU registered trade mark will not be revoked for non-use if it has not been genuinely used in the UK before the end of the transitional period as long as it was used elsewhere in the EU
- UK trade marks will have an additional period of time in which to be genuinely used in the UK, before they become vulnerable to revocation. It is not yet agreed how long this additional period will be
- A cloned UK trade mark will be able to claim a reputation acquired through use of the corresponding EU trade mark in the remaining 27 EU countries, provided that use occurred before the end of the transitional period



# GROUNDS TO REFUSE OR INVALIDATE A CORRESPONDING UK TRADE MARK

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- After the transitional period, acquired reputation of a corresponding UK trade mark will need to be established through use of the trade mark within the UK alone
- After the transition period ends, use in the UK will not support an EU registration and use in the EU will not support the UK part of EU registrations.
- Genuine proof of use can be for the past five years, and therefore use in the UK while it was part of the EU will initially support an EU registration, but its relevance will decrease over time.



## RISKS AND ACTION

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- No “right” answer – all businesses are different, with different needs and priorities
- Check your portfolio – you may have sufficient protection in place, in particular if you already have UK registrations in parallel with broader EU rights
- Do not let existing UK rights lapse in favour of EU rights - renewal fees in the UK are low
- Consider filing UK applications for existing brands now where only EU registrations are currently in place, in particular for key brands where the UK is an important market, in order to safeguard their position.



## RISKS AND ACTION

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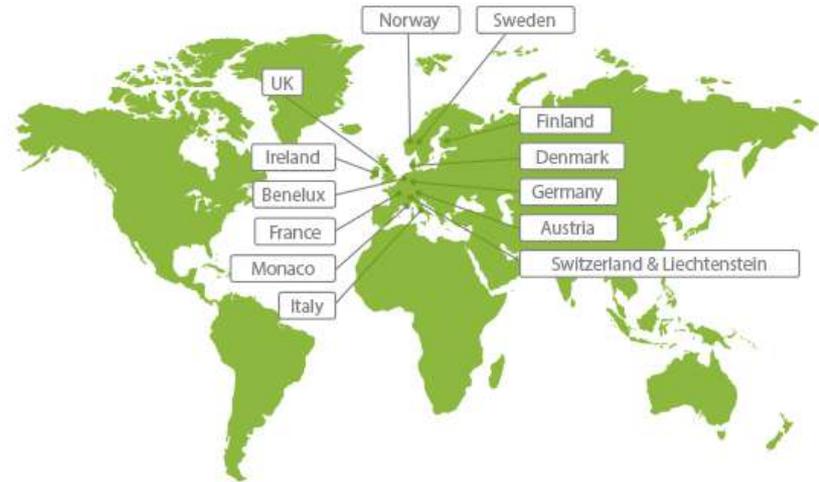
- Review existing agreements and licences to ensure that they will remain in force after the withdrawal date
- If you have .eu registered domains, consider registering in other top level domains, such as .co.uk
- The best strategy for your business will depend on a balancing of your available resources and your wider business strategy with the UK market



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## Murgitroyd's European Representation:

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