

# Brexit: Intellectual Property

## There are some significant implications of Brexit for IP rights-holders across trade marks, designs, copyright and domain names.

The following analysis looks at the consequences of the UK having left the EU on 31st January 2020 but subject to the transition or 'implementation period' set out in the Withdrawal Agreement negotiated by the Johnson government with the EU. During the implementation period the Withdrawal Agreement (and the UK Withdrawal Acts implementing it) provide for EU law to apply in the UK as if the UK is still a Member State, so nothing really changes. But at the end of that period the full legal implications of the UK leaving the EU take effect.

The timing of these changes (we use the phrase 'implementation period end date' when referring to it below) is expected to be from 11pm on 31st December 2020, as this is the date that the Government has set in its Withdrawal Act. There is a possibility, however – depending upon how trade negotiations go between the UK and EU - that the implementation period end date could be pushed back, or even that no trade deal is reached, if so, we will update these pages to reflect the potential consequences. In the meantime, the law relating to IP rights and litigation applies unaltered in the UK during the implementation period.

### Trade Marks

- While UK trade marks will be unaffected, after the Brexit implementation period the territorial coverage of EU trade marks (EUTMs) will no longer include the UK
- The UK government is putting in place a system automatically to provide alternative UK protection for those who have current EUTM protection in the UK and will lose it as a result of Brexit
- To ensure that the protection provided is the same as would have been provided by the EUTM, the comparable UK trade mark will have the same filing date, priority and seniority as the EUTM, and be subject to any licence or security interest registered against the EUTM; any use of the EUTM anywhere in the EU will also count as use of the comparable UK trade mark up until the implementation period end date

### What are the key changes and what actions can be taken?

- UK businesses will still be able to own existing EUTMs and apply for new ones, but after the 'implementation period end date' (see above) they will only provide protection in the remaining 27 Member States of the EU
- Holders of existing EUTMs will automatically be granted 'comparable UK trade marks' on the UK register to take the place of the UK coverage of the EUTM that is being lost; similar

'comparable trade marks (IR)' will be created for international trade mark registrations designating the EU. However, applications for EUTMs still pending at the implementation period end date will not automatically be turned into UK trade mark applications. Applicants will instead be given a nine month grace period in which to apply for a corresponding UK trade mark

- **Action:** Rightsholders with pending EUTMs at the implementation period end date should ensure that they apply for a corresponding UK trade mark during the nine month grace period to retain the earlier filing date of the pending EUTM
- **Action:** Those applying for new UK trade marks in the nine months after the implementation period end date should watch out for the potential emergence of UK comparable trade marks based upon pending EUTM applications, which will potentially take priority
- The ability for UK-qualified/based lawyers & attorneys to represent parties before the EU Intellectual Property Office (EUIPO) will be very limited after the implementation period end date. Likewise, only firms with a UK presence will be able to act as agents before the UK Intellectual Property Office (UKIPO).
- **Action:** EUIPO - Check that you have appropriate representation in place, as solely UK-based firms will not be able to act before the EUIPO. Our Dublin office and Irish-qualified attorneys mean that Lewis Silkin will still be able to file and prosecute, and conduct litigation, in respect of EUTMs.
- **Action:** UKIPO - All EU rightsholders will need to designate a UK firm to act as agent for the UK national rights that will be cloned from their current EU rights. As a UK-based law firm, we are ready to act as your agent, and are able both to advise and to act in any litigation in respect of such rights.
- For the 4 days or so beginning with the implementation period end date, the UK IPO is likely to announce a period of 'systems maintenance' to allow for the processing of the changes resulting from Brexit, in particular the grant of comparable UK trade marks and re-registered UK designs (see below).
- **Action:** During systems maintenance, a wide range of UK IPO services relating to trade marks and designs will not be available, and so some advanced planning will be needed if important actions would usually occur during the systems maintenance period
- See also below regarding Exhaustion of IP Rights

## Domain Names

- Businesses established in the UK but not in the EU will not be eligible to apply for new .eu domains once Brexit is completed; and their existing .eu domains will be subject to withdrawal and revocation

### What are the key changes and what actions can be taken?

- Businesses established in the UK but not in the EU, and UK-resident individuals who are not EU citizens, will not be eligible to register new .eu domain names; this change applies from the 'implementation period end date' (see above)
- The existing .eu domain names held by such businesses and individuals will be subject to withdrawal and revocation, the timings of which are likely to be based upon the same principles as had been established by Eurid (the registrar) for 'no deal' Brexit on 31st October 2019 (see below), but with the dates adjusted accordingly
- If we had had a 'no deal' Brexit on 31st October 2019, existing .eu domain names held by such UK businesses and individuals were to have been subject to withdrawal from 1st January 2020 (making the names non-functional to support websites or email) and revocation from 1st November 2020 (allowing other parties to apply for the domains in question). There was to have been a two-month grace period starting on the date of 'no deal' Brexit during which businesses and individuals could change contact data on the register to demonstrate that they had a relevant establishment or citizenship in the EU to keep the domains valid.
  - **Action:** Look out for details of any grace period that will be put in place during which contact data on the register can be changed to demonstrate a relevant establishment or citizenship in the EU to keep .eu domains valid
  - **Action:** Those who will be unable to demonstrate a relevant establishment or citizenship in the EU should urgently put in place plans for migration of any key services and websites reliant upon the .eu domain registrations to different domains

## Designs

- UK registered designs (and for UK-based businesses, UK unregistered design rights too) are unaffected by Brexit, but their EU counterparts – Registered Community Designs (RCDs) and Unregistered Community Designs (UCDs) – will no longer give protection in the UK after Brexit is completed
- The UK is putting in place comparable systems of design protection to run in parallel with the EU systems of Community Designs, including automatic protection in the UK for those who will lose their current Community design protection in the UK
- Until the end of the implementation period, EU design protection continues unaltered in the UK

### What are the key changes and what actions can be taken?

- Holders of existing Registered Community Designs will automatically receive a comparable 're-registered design' recorded at the UK registry at the 'implementation period end

date' (see above)

- Applications for RCDs still pending at the implementation period end date will not be automatically turned into applications for the comparable UK re-registered design
  - **Action:** Holders of pending RCD applications will have a nine month priority window after that end date in which to apply for a UK registered design; the detailed arrangements are very similar to those for EU Trade Marks, including regarding representation (see above)
  - **Action:** Those applying for new UK design registrations in the nine months after the implementation period end date should watch out for the potential emergence of UK re-registered designs based upon pending RCD applications, which will potentially take priority
- Holders of existing Unregistered Community Designs will automatically, at the implementation period end date, receive continuing protection in the UK via a 'Continuing Unregistered Design' for the remainder of the three year term of protection attached to the UCD. The UK will also create a new 'Supplementary Unregistered Design' to give similar protection in the UK to that which the UCD provides in the EU, from the implementation period end date onwards.
  - **Action:** After the implementation period end date, those who rely upon unregistered design rights (whether EU or UK) must consider very carefully when and where to first disclose designs: initial disclosure in the 'wrong' place may destroy novelty and prevent protection in other territories
- After the implementation period end date, only residents of and businesses formed in the UK and other specified qualifying countries will be entitled to hold the 'old-style' UK unregistered design right, and disclosure in the EU will no longer create such UK design rights
  - **Action:** Non-UK businesses will still be able to benefit from unregistered design protection in the UK via the Supplementary Unregistered Design described above
- See also below regarding Exhaustion of IP Rights

## Copyright & Related Rights

- There will be relatively few changes to the fundamentals of UK copyright law given its national, territorial nature. As with other IP rights, the copyright and related rights protections that rely upon EU membership continue unaltered in the UK during the implementation period
- The changes that EU legislation and EU Court of Justice case-law have made to UK copyright law over the years will largely persist after Brexit unless/until the UK chooses to change them by legislation, but there are exceptions which are discussed below
- The most important impacts of Brexit will be on those elements of copyright & related rights which required EU membership and reciprocity of protection for their existence, such as database rights and the Satellite broadcasting 'country-of-origin' principle, etc.
- The Government has indicated that "it has no plans" at present to transpose into UK law two new EU Directives on Copyright (further details below). However, if Brexit implementation were to be much delayed, so that the implementation period end date was after 7th June 2021, then the UK would be obliged to implement them into UK law

## What are the key changes and what actions can be taken?

- EU Database rights – UK citizens, residents & businesses will no longer be eligible to receive protection of their databases in the EEA after the 'implementation period end date' (see above); the UK will introduce its own version of database rights from that date, but it will provide continuity of protection only within the UK
  - **Actions:** businesses that also have establishments in the EU may be able to rely upon them for continued EU database right protection; it may also be possible to rely upon copyright protection for databases where relevant originality can be shown
- Satellite broadcasting 'country-of-origin principle', sometimes also called the 'one-stop shop' – After the implementation period end date, broadcasters based in the UK will no longer benefit from the EU rules that mean copyright clearance only needs to be undertaken in the Member State from which satellite/cable signals are introduced
  - **Actions:** UK-based broadcasters providing services to EU customers may from the implementation period end date have to clear rights separately in all Member States that their signal reaches; but it may be possible to establish an EU base from which broadcasts will continue to receive the benefit of the 'country-of-origin principle' or 'one-stop shop'
- Online content portability – After the implementation period end date, UK-based service providers will no longer benefit from 'one-stop shop' clearance provisions regarding their subscribers who temporarily move within the EU, while UK-residents will no longer benefit from portability rights when travelling in the EU
  - **Actions:** Service providers who want to continue to offer content portability to subscribers travelling between the EEA and the UK will, after the implementation period end date, need to seek permission from the owners of the content provided
- EU Directives on (i) Copyright in the Digital Single Market and (ii) Copyright relating to Online Transmissions and Retransmissions of TV and Radio content – The date by which EU Member States are obliged to have implemented these two Directives is 7th June 2021. If the implementation period end date remains before 7th June 2021, then the UK will not be obliged to implement their provisions into UK law, and the Government has indicated that it has no immediate plans to do so. However, if the implementation period end date gets pushed back to beyond 7th June 2021, then the UK would be obliged to implement the Directives
- Other areas of copyright and related rights in respect of which UK-based organisations may be affected by Brexit after the implementation period comes to an end: Exhaustion of IP Rights (see separate entry below); Collective rights management (obligations upon EU-based collecting societies to collaborate for multi-territorial licensing); Orphan works (mutual recognition of orphan works designated by cultural institutions across the EU); Satellite decoder cards (the government has announced an intention to criminalise the use of decoder cards/devices intended for use elsewhere in the EU, but not in the UK); Access of visually-impaired people to copyright works

## Exhaustion of Intellectual Property Rights

- Under EU law, once IP-protected goods have been put on the market anywhere in the European Economic Area (EEA) by, or with the consent of, the IP-owner, the IP-owner can no longer prevent those same goods from being re-sold anywhere in the EEA: so their IP rights in those goods are said to have been 'exhausted'
- During the implementation period, the UK remains fully part of the existing EEA-wide exhaustion regime. After the 'implementation period end date' (see above) the UK will no longer be treated as being in the EEA, and so the fact that IP-protected goods have been put on the market in the UK will not exhaust the rights of IP-owners in the EEA

## What are the key changes and what actions can be taken?

- After the 'implementation period end date' (see above), the rights of EEA-based IP-owners will not be exhausted by goods being put on the market in the UK, and so their rights will still be enforceable against such goods if they are 'parallel' imported into the EEA from the UK
  - **Action:** such exports from the UK into the EEA are likely to need a licence from the rights-owners in the EEA; for some businesses, it may make more sense to conduct such cross-border buying and selling from a base in a continuing EEA member country (rather than the UK) after the implementation period ends
- By contrast, the UK has said that it will (at least on a temporary basis) continue to recognise EEA exhaustion after the implementation period end date; so the rights in IP-protected goods first placed on the EEA market by, or with the consent of, the right holder would continue to be considered exhausted in the UK, allowing – for the time being – unfettered 'parallel importation' from the EEA into the UK. This is an issue on which the UK Government may further clarify its position during the course of the UK-EU trade negotiations.

## Patents

- Brexit will have minimal effect on patents in the United Kingdom. Thus, the UK will remain part of the European Patent Organisation (EPO) after exiting the EU, because the EPO is not a European Union institution. European Patent Attorneys based in the UK will continue to represent their domestic and overseas clients before the European Patent Office, and the UK can continue to be designated in European patent applications. Similarly, the UK's participation in the International (PCT) patent system will be unaffected, with UK patent protection continuing to be available via the PCT through UK national and EPO regional designations.
- The UK's involvement in the Unified Patent Court and Unitary Patent system does however remain unclear. The UPC Agreement was established by EU regulations, and whilst it may in theory be possible for the UK to remain within the UPC and UP despite being a non-EU member state, it is questionable whether this would be politically acceptable. The UPC start date is now dependent upon ratification by the German government, which in turn is awaiting the outcome of a challenge to the UPCA in the German constitutional

court.

- Supplementary Protection Certificates for pharmaceutical and plant protection products granted prior to the end of the Brexit implementation period will be unaffected, and applications for SPCs pending at the UK Intellectual Property Office will be treated as before with no need to refile. After that, SPCs will be applied for in the same way as before: the product in question must be protected by a patent which is in force in the UK and covered by a marketing authorisation which allows the product to be sold in the UK at the time of applying. The marketing authorisation may be granted by the Medicines and Healthcare products Regulatory Agency, or the European Medicines Agency. Authorisations from the EMA will be converted to equivalent UK authorisations at the end of the implementation period.

## IP Litigation

- After the implementation period end date (see above), UK courts will no longer be able to adjudicate on EUTMs and will not be able to issue EU-wide injunctions
- Pan-EU injunctions granted by EU Courts during the implementation period will continue to apply to comparable UK trade marks after the implementation period end date
- Any cases ongoing on 1 January 2021 will continue to be heard as if the UK were still an EU Member State but remedies granted by the court will apply to the comparable UK right only
  - **Action:** Rightsholders with ongoing litigation should assess whether they will be able to obtain their desired remedies through existing proceedings. Those seeking an injunction in the UK after the implementation period end date will need to apply to the UK courts, even if proceedings are ongoing in an EU member state. Likewise, those seeking an EU-wide injunction after the implementation period end date will need to issue proceedings in an EU Member State, even if UK proceedings are ongoing.
- After the implementation period end date, UK courts will no longer be able to make references to the Court of Justice of the European Union (CJEU) for interpretation of SPC legislation and other retained EU law. If the UK courts have referred a question to the CJEU and this question is still pending at the end of the implementation period, it will remain before the CJEU until its resolution. Other than these pending referrals, from 1 January 2021, UK courts will not be required to follow CJEU judgments, although they may take CJEU case law into account if they choose to.

## For more information



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