

# Brexit: Intellectual Property

When the Brexit 'transition period' came to an end at 11pm GMT on 31st December 2020, it brought with it some significant implications for IP rightsholders across trade marks, designs, copyright and domain names.

The resulting changes – set out below – are almost all as a result of the Withdrawal Agreement reached between the UK government and the EU at the end of 2019, and the subsequent Brexit implementing legislation introduced by the UK government in preparation for the end of the transition period.

The Trade & Cooperation Agreement reached between the UK and EU on Christmas Eve 2020, although it contains a 24-page section on the general standards of intellectual property protection to be applied by both parties, leaves the Withdrawal Agreement in place and thus has made no difference to the important changes already announced, and analysed in detail below.

The Trade & Cooperation Agreement largely serves to set the current levels of IP protection applying in the EU as a base line to which both the UK and EU remain committed, rather than adding anything new. Obligations in the Trade Agreement are upon each party to observe those minimum standards in their own territory – arrangements for collaboration are strictly limited (focusing upon information sharing and cooperation between relevant authorities) although the parties do leave the door open to further discussions on Geographical Indications. Rights and arrangements that depend upon EU membership, such as its sui generis database right and 'country of origin rules' simplifying rights clearance across the EU, are no longer applicable to the UK and thus not covered by the Trade & Cooperation Agreement. The UK and EU are also left free by the Trade Agreement to determine their own approaches to the exhaustion of IP rights.

While the UK formally left the EU on 31st January 2020, this was subject to the transition or 'implementation' period set out in the Withdrawal Agreement. During the transition period the Withdrawal Agreement (and the UK Withdrawal Acts implementing it) provided for EU law - including all of its IP provisions - to continue to apply in the UK as if the UK was still a Member State, and so nothing changed immediately. It was thus only from the end of the transition period – at 11pm GMT on 31st December 2020, i.e. midnight in Brussels - that the full legal implications of the UK leaving the EU took effect, including the IP changes discussed below.

## Trade Marks

- While national UK trade marks are unaffected, from 1st

January 2021 the territorial coverage of EU trade marks (EUTMs) no longer includes the UK

- The UK government, through the UK Intellectual Property Office (UKIPO), is putting in place alternative UK protection (called 'comparable UK trade marks') for those who previously had EUTM protection in the UK and lost it as a result of Brexit
- To ensure that the protection provided is the same as would have been provided by the EUTM, comparable UK trade marks have the same filing date, priority and UK seniority as the EUTM, and are subject to any licence or security interest registered against the EUTM; any use of the EUTM anywhere in the EU also counts as use of the comparable UK trade mark up until the end of 2020

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

- UK businesses are still able to own existing EUTMs and apply for new ones, but from 1st January 2021 EUTMs now only provide protection in the remaining 27 Member States of the EU (the UK is no longer covered)
- Holders of existing EUTMs will automatically have been granted 'comparable UK trade marks' on the UK register from 1st January 2021, to take the place of the UK coverage of the EUTM that has been lost; similar 'comparable trade marks (IR)' will have been created for international trade mark registrations designating the EU
- However, applications for EUTMs still pending at the end of the transition period will not have led to the automatic generation of an application for a comparable UK trade mark. Such applicants instead have a nine month grace period (until the end of September 2021) in which to apply for a corresponding UK trade mark
  - **Action:** Brand-owners with EUTM applications still pending at the end of 2020 should ensure that they apply for a comparable UK trade mark by the end of September 2021 to retain the earlier filing date of the EUTM application
  - **Action:** Anyone applying for new UK trade marks in the period up until the end of September 2021 should watch out for the potential emergence of UK comparable trade mark applications based upon pending EUTM applications, which will potentially take priority
  - **Action:** It is possible to 'opt out' of the automatically-granted comparable UK trade marks by submitting a Request for removal from the register to the UKIPO
- The entitlement for UK-qualified/based lawyers & attorneys to represent parties before the EU Intellectual Property Office (EUIPO) is now very limited since the transition period ended. (There is one very specific exception to this - existing UK

representatives will be able to continue to act in applications and proceedings that were still 'ongoing' at the end of 2020, for as long as those applications and proceedings continue.)

- Partly in response to the situation regarding representation before the EUIPO, the UK Government has from 1st January 2021 introduced new Address for Service rules, requiring those making new applications to or initiating new proceedings before the UK Intellectual Property Office from that date to have an address for service in the UK, Gibraltar or the Channel Islands. (Previously, an address in the EEA was acceptable, but that is no longer the case.)
- There are four main exceptions to the new UK Address for Service rules: i) UK IPO applications already started before 1st January 2021; ii) UK IPO opposition, invalidation or revocation proceedings already started before 1st January 2021; iii) UK trade marks, designs and patents already granted before 1st January 2021 (unless/until they are challenged and need to be defended); and iv) proceedings in respect of comparable trade marks and re-registered designs granted to existing EUTM and RCD holders – but this final exception only applies until the end of 2023. In respect of these four exceptions, an EEA Address for Service can still be used.
  - **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 fully able to file and prosecute, and conduct litigation, in respect of EUTMs
  - **Action: UKIPO** – Brand-owners using non-UK based representatives are very likely to have to ensure that a UK Address for Service is provided when making new UK applications and conducting resulting UKIPO proceedings. 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 UK rights
- See also below regarding Exhaustion of IP Rights

## Domain Names

Businesses established in the UK but not in the EU are no longer eligible to apply for new .eu domains now that the transition period has come to an end; 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, are from 1st January 2021 not eligible to register new .eu domain names
- Any existing .eu domain names held by such businesses and individuals are now subject to withdrawal and revocation. EURid (the registry manager for .eu domains) is implementing this in stages according to the following timetable:
- 1st October 2020 – notification to affected UK-based businesses and individuals that their .eu domains were subject to withdrawal or revocation if they could not by 31st December 2020 submit new contact data to put on the register demonstrating a continued legal basis to hold such domains (e.g. a business could potentially do so by showing that it was

also legally established in a continuing EU Member State; an individual could potentially show EU residence or citizenship)

- 21st December 2020 - a reminder sent of the implications of failing to demonstrate compliance with eligibility criteria
- 1st January 2021 - ineligible .eu domains of UK registrants suspended (and no longer function so as to support email or website services), but up until 31st March 2021 suspended domains can still be reinstated if registration details are updated to demonstrate eligibility
- 1st April 2021 - ineligible .eu domains of UK registrants withdrawn (and cannot support any service)
- 1st January 2022 – the withdrawn .eu domains of former UK registrants are revoked and become available to other registrants
  - **Action:** If relevant, contact data on the register should be changed before 31st March 2021 to demonstrate an establishment or residency/citizenship in a continuing EU Member State, to reinstate suspended domains
  - **Action:** Those who will be unable to demonstrate a relevant establishment or residency/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) – no longer give protection in the UK
- The UK is putting in place comparable systems of design protection to run in parallel with the EU systems of Community Designs, including automatic provision of alternative protection in the UK for those with current RCDs and UCDs at the end of 2020, who will have lost their previous Community design protection in respect of the UK

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

- Holders of existing Registered Community Designs will automatically have received a comparable 're-registered design' recorded at the UK registry from 1st January 2021; similar 're-registered International Designs' are being provided in respect of international design registrations designating the EU that have already been registered and published by the EUIPO (but the UKIPO has warned that there may be a delay in re-registered designs based upon international designs appearing on the UK register)
- Applications for RCDs still pending at the end of 2020 will, however, not have been automatically turned into applications for the comparable UK re-registered design
  - **Action:** Holders of such pending RCD applications have a nine month priority window until the end of September 2021 in which to apply for a corresponding UK re-registered design; the detailed arrangements are very similar to those for EU Trade Marks ([see above](#))
  - **Action:** Anyone applying for new UK design registrations in the period until the end of September 2021 should watch

out for the potential emergence of UK re-registered designs that may take priority, based either upon pending RCD applications, or upon international designs designating the EU that are slow to show up on the register

- **Action:** It is possible to 'opt out' of the automatically-granted UK re-registered designs by submitting a Request for removal from the register to the UKIPO
- The situation regarding Representation before the EUIPO and Address for Service requirements at the UKIPO - discussed [above](#) in respect of trade marks - applies equally to applications and proceedings in relation to RCDs and UK registered designs
- Holders of existing Unregistered Community Designs still protected at the end of 2020 automatically now have 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 has also created a new 'Supplementary Unregistered Design' right, from 1st January 2021, which gives similar protection in the UK to that which the UCD provides in the EU
  - **Action:** Now that the UK and EU systems of unregistered design protection are separate, those who rely upon unregistered design rights (EU and/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
- From 1st January 2021, only residents of and businesses formed in the UK and other specified qualifying countries are entitled to hold the 'old-style' UK unregistered design right, and disclosure in the EU no longer creates such UK design rights
  - **Action:** Non-UK businesses can still benefit from unregistered design protection in the UK, but only via the Supplementary Unregistered Design described above, rather than the 'old-style' UK unregistered design right
- See also below regarding Exhaustion of IP Rights

## Copyright & Related Rights

- The fundamental principles of UK copyright law are largely unaffected by Brexit, given its national, territorial nature and its basis in international treaty obligations that are still in place post-Brexit
- Many of the changes that EU legislation and EU Court of Justice case-law made to UK copyright law over the years of UK membership are likely to persist after Brexit, at least for the foreseeable future, but there are exceptions which are discussed below
- The most important impacts of Brexit are 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 the two most recent EU Directives on Copyright (further details below)
- Certain details of UK and EU copyright law are likely to gradually diverge after Brexit, either due to legislative changes or developing case-law (see the section below on IP litigation and

EU Court of Justice case-law, which explains the power of the Court of Appeal or Supreme Court to depart from previous EU jurisprudence); one area in which this may happen sooner rather than later is that of copyright protection for designs

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

- **EU and UK Database rights** - UK citizens, residents & businesses are no longer eligible to receive protection in the EEA for newly created databases, although their databases already protected in the EEA at the end of 2020 will continue to have protection in the EEA for the rest of their standard duration. The UK has introduced its own version of database rights from 1st January 2021 for new databases created by UK citizens, residents or businesses, but it will provide protection only within the UK
  - **Actions:** Businesses that also have establishments in the EU may be able to rely upon them for EU database right protection for databases created after the end of 2020. 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'** – From the end of 2020, broadcasters based in the UK have no longer benefited from the EU-only 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 now need to clear rights separately in each Member State 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** – From the end of 2020, service providers now no longer benefit from 'one-stop shop' clearance provisions regarding their UK-based subscribers who temporarily travel to the EEA, and for EEA-based subscribers who travel to the UK; but nor are they obliged to provide 'portability' to such subscribers
  - **Actions:** Service providers who want to continue to offer content portability to subscribers travelling between the UK and the EEA (or vice versa) now need to ensure that they have cleared any third party rights in respect of the content provided in the relevant territories travelled to
- **Recent 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. As the transition period ended before that date, the UK is not obliged to implement their provisions into UK law, and the Government has indicated that it has no immediate plans to do so.
  - **In Brief: other areas of copyright and related rights in respect of which UK-based organisations may be affected by Brexit:** 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 in the EU rather than 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 the proprietor's IP rights in those goods are said to have been 'exhausted'
- Now that the Brexit transition period is over, the UK is no longer 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
- By contrast, the UK (at least for the time being) is continuing to recognise EEA exhaustion; so the rights in IP-protected goods first placed on the EEA market by, or with the consent of, the right holder continue to be considered exhausted in the UK

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

- As of 1st January 2021, the rights of IP-owners in the EEA are no longer 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 from the UK into the EEA
  - **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)
- For the time being, the UK's continued recognition of EEA exhaustion allows continued 'parallel importation' from the EEA into the UK.
- However, in November 2020 the UK Government announced that it plans to consult on potential changes to this approach "early in 2021"; it seems unlikely that the current 'asymmetry' between the UK and EU approaches to exhaustion will continue for very long

## Patents

- Brexit has had a minimal effect on patents in the United Kingdom. Thus, the UK remains 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 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 is unaffected, with UK patent protection continuing to be available via the PCT through UK national and EPO regional designations.
- Regarding the Unified Patent Court and Unitary Patent system,

the UK government has now withdrawn its ratification of the UPCA meaning that the UK will not be taking part in the system. The UPC start date is still uncertain, being dependent upon ratification by the German government, following various challenges in the German constitutional court to the legislation required to ratify the UPCAs

- Supplementary Protection Certificates for pharmaceutical and plant protection products granted prior to the end of the transition period are unaffected, and applications for SPCs pending at the UK Intellectual Property Office at the end of 2020 are being treated as before with no need to refile. From 1st January 2021, SPCs can 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. However, due to the Northern Ireland protocol, EU legislation regarding marketing authorisations continues to apply in Northern Ireland, whereas UK domestic legislation applies in Great Britain. It is thus possible to have different marketing authorisations for different parts of the United Kingdom (i.e. the UK as a whole, Great Britain only, or Northern Ireland only). The territorial scope of protection granted by the SPC will be equivalent to that for the Marketing Authorisation

## IP Litigation and EU Court of Justice Case-law

- UK courts can no longer adjudicate on EU trade marks or designs (except in certain proceedings that were already under way at the end of the transition period on 31st December 2020) and are not be able to issue EU-wide injunctions
- Likewise, new pan-EU injunctions granted by EU courts can no longer apply to the UK
- However, pan-EU injunctions already granted by EU Courts and still in effect as at 31st December 2020 do also apply to the comparable UK trade marks and re-registered designs deriving from the relevant EUTMs or RCDs
- Any cases relating to EU registered trade marks or designs that were ongoing in the UK courts on 1 January 2021 can continue to be heard as if the UK were still an EU Member State, but remedies granted by the court can apply to the comparable/re-registered UK rights only
  - **Action:** Rightsholders with such ongoing litigation should assess whether they will be able to obtain their desired remedies through existing proceedings. Those seeking an injunction in the UK will need to apply to the UK courts, even if proceedings are also ongoing in an EU Member State. Likewise, those seeking an EU-wide injunction will need to issue proceedings in an EU Member State, even if UK proceedings are also ongoing
- UK courts can no longer make references to the Court of Justice of the European Union (CJEU) for interpretation of IP legislation and other EU law that is retained in UK legislation. If the UK courts have referred a question to the CJEU and this question was still pending at the end of 2020, it will remain before the CJEU until its resolution.
- Other than these pending referrals, UK courts are no longer



required to follow CJEU judgments, although they may take CJEU case law into account if they choose to.

- On the other hand, CJEU case-law handed down before the end of the transition period on 31st December 2020 has been made part of UK law (called 'retained EU case-law') under the Withdrawal legislation, and thus generally remains binding upon UK courts (but see the next paragraph for an exception). Prior rulings of higher courts in the UK on points of EU law (including regarding retained EU case-law) also remain binding upon lower courts in the UK under the usual rules of precedent
- The UK Supreme Court, the England & Wales Court of Appeal, and the appellate courts of similar standing in Scotland and Northern Ireland, have all been given the power to depart from such 'retained EU case-law'. This is intended to further the Government's stated policy aim of 'enabling retained EU case-law to evolve more quickly', so as to reflect the 'new context' of the UK having departed the EU
- The relevant courts must apply the same test in deciding whether to depart from retained EU case-law as the UK Supreme Court already applies when deciding whether to depart from its own previous decisions – namely whether 'it appears right to do so' in the circumstances. The related jurisprudence indicates that in the past the Supreme Court would only depart from its previous decisions 'rarely and sparingly', for example if they would produce 'serious anomalies', 'results which were plainly unsatisfactory' or 'unforeseen serious injustice'. It remains to be seen how such considerations will be applied in the context of assessing retained EU case-law (and by the Court of Appeal as well as the Supreme Court) – the Government decided not to augment the test with a specific list of relevant factors or considerations to be taken into account
- A proposal to extend the 'power to depart from retained EU case-law' also to the High Court was rejected on the grounds that it might introduce too much uncertainty and lead to an increase in litigation. In a field such as Intellectual Property, where most disputes involve issues that relate to legislation and case-law that have an EU basis, it nevertheless seems likely that the potential for retained EU case-law to be departed from at Court of Appeal or Supreme Court level will now lead to greater uncertainty in establishing the 'correct' legal position on any given point, and thus the potential for more EU points to be argued – and subsequently appealed – in the course of UK IP litigation

## Customs Enforcement of Intellectual Property Rights

- Under EU law, IP rights owners can ask the customs authorities in Member States to take action in respect of goods suspected of infringing an IP right. A Union 'application for action' by customs authorities (AFA) can be made to the authorities of a single Member State but request action also by authorities in one or more other Member States
- With the end of the transition period on 31st December 2020, such Union AFAs can no longer be submitted via the UK customs authorities; moreover AFAs already submitted/granted via the UK before the end of the transition period – while

remaining active in respect of UK customs, which will have procedures that mirror the EU system - are no longer valid in the EU

- **Action:** a fresh AFA needs to be submitted in a continuing Member State for the Union customs enforcement measures to continue outside the UK
- An AFA submitted before the end of the transition period through the customs authorities of a non-UK Member State and which requests action by the UK authorities amongst others remains active for the continuing EU customs authorities but is no longer valid in respect of the UK
  - **Action:** a fresh AFA needs to be submitted to the UK customs authorities for enforcement measures to continue in the UK
- Special rules apply to customs enforcement under the Northern Ireland Protocol

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