



# TIERNEY IP

EUROPEAN INTELLECTUAL PROPERTY CONSULTANCY

## How will the BREXIT vote affect your European Union Trade Mark and Design rights?

On June 23, 2016, the British people voted that the [United Kingdom](#) (UK) should leave the [European Union](#) (EU). To formally leave the EU (aka BREXIT), the UK Government must invoke Article 50 of the [Lisbon Treaty](#), the primary law which governs the EU. It is anticipated that Article 50 will be invoked in early 2017.

After Article 50 is invoked, a fixed period of two years will be allowed for the UK to negotiate its departure with the EU. The two year period can be extended, but only with the unanimous approval of the remaining 27 Member States of the EU.

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 briefing note 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 formally notifies the EU that it is leaving. Until then, 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. Businesses 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. 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, I recommend that, if the United Kingdom is a significant market for you, you should:

- (i) keep in place existing EUTMs;
- (ii) once the UK formally notifies its departure from the EU, you should file 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 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 are 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 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 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 in respect of the goods and/or services for which it is registered.

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 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](#). British lawyers solely based in the UK will not be entitled to act on your behalf before the EUIPO.

Post BREXIT, UK qualified lawyers will **not** be entitled to act before the Court of Justice of the European Union (CJEU) on behalf of clients. It is thought that a UK lawyer who qualifies in another

EU Member State prior to BREXIT will be able to continue acting before the CJEU. There is however some doubt this. This is because the EU Directive which governs re-qualification in another EU Member State requires that the lawyer in question must be a national of an EU Member State in the first place. After BREXIT, unless they are nationals of another EU Member State, UK lawyers may find that they will still not be entitled to act before the CJEU even if they have re-qualified in another EU Member State.

UK nationals who are on the EUIPO list of [Professional Representatives](#) 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.

Lawyers and Registered Trade Mark Agents qualified in Ireland are not affected by the BREXIT vote. Irish lawyers who are entitled to practice before the Irish courts are authorised to act before the EUIPO as well as the CJEU on the basis of their Irish legal qualifications.

Post BREXIT, the ability for UK Registered Trade Mark Attorneys resident in an EEA 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 use an Irish lawyer to act on your behalf?**

Following the UK's departure from the EU, Ireland will be the only *de jure* 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 protection under statute and at Common law.

Ireland's Commercial Court is one of the most efficient and technologically advanced in the EU. Typically, cases can be determined within six months from commencement of proceedings. Significantly, all proceedings are heard in English as a matter of course.

After BREXIT, the European Union Trade Mark and Design 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. It will also be the only English speaking court in the EU to grant 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 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. Then assess whether a dual filing (EUTM and UK) filing strategy is warranted.
- 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, the United States of America), you should give strong consideration to using an Irish qualified IP lawyer.
- 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. My recommendation 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. You should therefore now start reviewing your IP filing, protection and enforcement strategies insofar as they affect pan-EU Soft IP rights.

For further advice and assistance, I can be contacted at [niall@tierneyip.com](mailto:niall@tierneyip.com) or on 353-1-2544116.

Date: 26<sup>th</sup> September, 2016