

Our position on:
Post-Brexit registered
trade mark and design
rights, and rights of
representation

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V1.2

1.0 Executive summary

It is our position that the United Kingdom (UK) Government must ensure all existing European Union (EU) registered trade marks and designs continue to have the same scope of protection in the UK. It is also our position that UK Chartered Trade Mark Attorneys must be able to continue to represent their existing and future clients at the European Union Intellectual Property Office (EUIPO).

For UK and international businesses, in particular the creative industries, it is vital that the UK retains strong trade mark and design systems post-Brexit, and that the cost and disruption to owners of existing EU trade mark and design rights is minimised.

The European Union Trade Mark (EUTM) system allows a trade mark to be registered in all EU member states with a single application. This provides businesses with a simple, cost efficient and effective way of protecting their intellectual property in key European markets. The EU's Registered Community Design (RCD) system works in a similar way – the protection of a design across the EU with one single registration.

The most logical way to achieve minimal disruption and cost burden to business is to ensure the UK continues to be part of the current system and IP practitioners retain existing rights of representation. However if the EU trade mark and design systems cannot be altered to cover the UK post-Brexit, then the UK Government should enter all existing EUTMs and RCDs onto the UK registers administered by the Intellectual Property Office (IPO) with the same scope of protection at zero or minimal cost.

A substantial number of businesses rely on the EU trade mark and design systems to protect their trade marks and designs in the UK, and many use UK trade mark practitioners to represent them before the EUIPO. In the UK alone trade mark-intensive industries contribute an estimated 38.4% (£650 billion) of UK GDP and 21.5% (6.4 million) of UK employment per year¹.

It is vital that these businesses can be given certainty that they will not experience a loss of protection in the UK, and that the cost of maintaining their protection, both in terms of fees and business time, will be kept to a minimum.

UK professional representatives are responsible for nearly one in every four EUTM applications² – providing significant value to the UK economy and the businesses they represent. Therefore the ability for Chartered Trade Mark Attorneys to represent their clients before the EUIPO must be retained.

If the UK remains a member of the European Economic Area (EEA), then rights of representation will be maintained.

Further to this we believe that Chartered Trade Mark Attorneys, as regulated lawyers, should be granted an extension of existing rights of representation by being able to represent their clients at the EU General Court (EGC) and the Court of Justice of the European Union (CJEU).

Whatever the outcome of the negotiations on exiting the EU there should be the smoothest possible transition for trade marks and designs to protect the interests of business and the creative industries, providing and maintaining legal certainty.

To summarise, we are campaigning for:

- Existing EU registered trade mark and design rights to continue to cover the UK
- Chartered Trade Mark Attorneys to continue to be able to represent their clients before the EUIPO
- Chartered Trade Mark Attorneys to be granted rights of representation at the EGC and CJEU.

¹ IPO Fast Facts 2017 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/581279/Fast-Facts-2017.pdf

² <https://euiipo.europa.eu>

2.0 Background

The current system of registering European Union (EU) trade marks and designs allows businesses and individuals to protect a trade mark or design in all member states of the EU with a single application.

Having an integrated system keeps costs for business low, and means businesses can gain a valuable intellectual property right across a wide geographical area. It enables businesses both in the UK and internationally to be more agile and develop strategic growth which contributes heavily towards the UK and global economies, with appropriate protection to trade across multiple countries.

There are well over one million trade marks on the EUIPO's trade mark register – all of these currently are enforceable in the UK. There are also around one million Registered Community Designs³.

Positive action is required to ensure these rights are still enforceable in the UK when it leaves the EU.

Businesses and individuals worldwide register their trade marks and designs in the EU, and many are represented before the EUIPO by UK representatives (nearly one in every four EU trade mark applications⁴) – providing significant value to the UK economy and the businesses they represent.

Currently all UK-based Chartered Trade Mark Attorneys are eligible to act before the EUIPO, but this will potentially change if the UK leaves the EU. The requirements to act before the EUIPO (which are set out in Article 93 of the EU Trade Marks Regulation) include requirements that representatives:

- have a place of business in the EEA; and
- are qualified to act before the IP office of an EEA member state.

The EEA includes all EU member states, Iceland, Liechtenstein and Norway. If the UK leaves the EU, and does not join the EEA, then UK-based Chartered Trade Mark Attorneys will no longer be eligible to act before the EUIPO.

EU trade mark work comes in from around the globe, not just UK-based businesses, with legal professionals and businesses across the world instructing UK Chartered Trade Mark Attorneys to file trade mark and design applications at the EUIPO, providing protection across the EU.

The UK Chartered Trade Mark Attorney profession is renowned for its high quality professional service and advice and is regarded as one of the best in the world. The regulation of the profession and continued professional development requirements mean that many businesses from across the globe seek legal representation by a UK Chartered Trade Mark Attorney.

³ EUIPO strategic plan 2020 – “At the end of 2015, the Register of the Office contained more than 1.2 million EUTMs and more than 945,000 RCDs.”

⁴ <https://euipo.europa.eu>

3.0 Rights of representation

UK-based Chartered Trade Mark Attorneys currently have rights to represent their clients and organisations before the EUIPO.

Many of their clients will be from outside the EU, and bring work into the UK. Many use a UK Chartered Trade Mark Attorney because of the skill, expertise and high quality of service they provide. Current rules are such that only representatives based within the EEA can act before the EUIPO.

We are campaigning for:

- **UK Chartered Trade Mark Attorneys to be granted continuation of rights of representation at the EUIPO**
 - All attorneys who reside in the UK, have a UK address for business and are currently on the EUIPO representatives list should not be barred from holding rights of representation before the EUIPO. The same should apply to those who qualify in the future.
 - Those qualified to be legal representatives in the UK should be recognised as qualified to practice before EU institutions, and vice-versa.
- **EEA professionals to have reciprocal rights before the IPO**
 - All EEA-based attorneys who currently have rights of representation at the IPO should continue to hold these rights as long as UK Chartered Trade Mark Attorneys have the rights of representation before the EUIPO. If rights of representation are lost, the UK should revert to the previous position where an address for service in the UK is required.
- **Chartered Trade Mark Attorneys, as regulated UK lawyers, to be granted rights of representation at the European General Court and Court of Justice of the European Union**
 - As the highest courts of the EU trade mark and design system, Chartered Trade Mark Attorneys should be able to represent their clients at all levels of the justice system. Currently they are not able to do so, which results in an additional cost to business.

Benefits:

- **There will be minimal disruption to business**
 - If UK Chartered Trade Mark Attorneys were not able to represent clients at the EUIPO, it would require the UK and international clients they represent to change their named representative at the EUIPO.
 - IP professionals work closely with businesses, getting to know them and their industry. Such specialised knowledge would be lost.
- **UK businesses can continue to be represented by domestic professionals at an EU level**
 - UK representatives can meet and work with UK-based businesses in person, making it easier and more efficient. It keeps these key relationships within the UK
- **Ensures the UK remains competitive in providing a world class service**
 - Were UK Chartered Trade Mark Attorneys to no longer have rights of representation before the EUIPO, the UK would be at a distinct competitive disadvantage to other countries within the EU.
- **Ensures the continued strength of the UK intellectual property profession**
 - The UK intellectual property professions contribute in excess of £1 billion⁵ to the UK economy every year – this can only continue with the ability to represent clients Europe-wide.

⁵ The Chartered Institute of Patent Attorneys benchmarking exercise 2015

How it would work:

- **A bilateral agreement**
 - An agreement between the UK and EU would be needed to enable rights of representation to continue.

4.0 Registered rights

4.1 Our preferred solution is for:

- **The UK to continue to be part of the EUTM and RCD systems**
 - The UK is currently part of these systems by being a member state of the EU. If the UK joined the system it would benefit from the scope of protection and legal certainty that it brings.

We appreciate that this solution may not be possible in the short-term. To allow for this to take place the current system would need to change in such a way that it becomes a European system rather than an EU one. This would allow countries, including the UK, to join even if they are not an EU member.

Benefits:

- **Minimises cost to business and creative industries**
 - Businesses will not need to file any new trade mark and design applications to enjoy the protection their trade marks and designs currently have in the UK and EU
- **Ensures legal certainty as all existing rights continue to be valid in all 28 countries**
 - Businesses will know where they stand. Their current trade mark and design protection would be assured
 - Current case law that may have been previously applied to trade mark and design cases would remain relevant in the UK
 - Any changes would be reflected in UK law.

How it would work:

- Requires bilateral agreement between UK and EU

4.2 Alternative solution:

Should it not be possible for the UK to join a European trade mark and community design system the UK Government should provide for the **automatic entry of all EUTMs and RCDs onto the IPO's register** with the same scope of protection, registration date and, where applicable, priority and seniority as the existing EU registration.

Benefits of this system:

- **Low cost to business**
 - As no action would be required on the part of the rights holder to retain protection in the UK they would incur no immediate cost
- **The transition should not be complicated as it is an 'IT task'**
 - The EUIPO's register would be transposed onto the UK's register
- **It would be a one off cost for the UK IPO**
 - The set-up would be the only initial cost burden on the IPO
- **There would be additional renewal fees, but these are optional**
 - Rights holders would need to pay the renewal fees for both the new UK registration and the original EU registration, if they wished to retain both, but the costs would be spread out over time. We advocate the re-introduction of a flexible merger system in the UK to minimise cost and administrative burdens in this area.

4.3 Considerations

If the UK were to automatically transfer the EUIPO register onto the UK's register there are a number of issues to consider to ensure a smooth transition and legal certainty.

4.4 Trade marks

4.4.1 Intent to use

In contrast to UK national applications (and UK designations of international registrations) EU trade mark applications do not require a *bona fide* intention to use the trade mark in the EU.

However, all newly created UK 'child' registrations, to be brought into alignment with UK national registrations and UK designations of international registrations, should be deemed to have a *bona fide* intent to use the trade mark in the UK. As with UK national registrations and UK designations of international registration, that presumption of *bona fide* intention to use could be challenged in invalidation proceedings.

4.4.2 Non-use cancellation

There are issues relating to the non-use cancellation of EU trade mark registrations entered onto the UK register, both in terms of vulnerability to cancellation and the requirements of genuine use.

All newly created UK 'child' registrations would become vulnerable to a non-use cancellation action five years after the registration date of the 'parent' EUTM registration. To the extent that any relevant period for proving genuine use of a registration is prior to the date of Brexit, use of the mark anywhere in the EU should be acceptable to prove use during that period. After the date of Brexit only use in the UK should be valid.

4.4.3 Seniority

A substantial number of existing EUTM registrations have UK seniority claims, meaning that the earlier UK trade mark registration has been allowed to lapse. Without specific provision, these earlier rights would be lost.

All lapsed UK trade mark registrations for which there is a valid seniority claim should be revived (with no back-dated renewal fees). This would create two or more UK trade mark registrations; the UK 'child' registration and the revived UK national registration(s).

4.4.4 Pending applications and ongoing proceedings

Any EUTM applications which are pending at the date of Brexit should remain with the EUIPO until they are registered or refused. This includes marks which are under opposition. Any such applications which subsequently achieve registration should be entered onto the UK register as UK trade mark registrations.

Any EUTM registration which is subject to invalidation or revocation proceedings at the date of Brexit should be put on the UK register but marked to indicate that the fate of the UK registration is tied to EUIPO proceedings. If the 'parent' EUTM registration is subsequently cancelled then the UK 'child' registration would also be cancelled.

Provision should be made for a 'conversion-like' process to allow owners of the above categories of EUTM applications/registrations to create a corresponding UK trade mark application (with the same filing date and details) if the EUTM application/registration is refused/cancelled on the basis of grounds which do not apply in the UK.

4.4.5 Language

Some EUTM registrations contain errors in the English-language version of the specification of goods and services, owing to faulty machine translation from the original language.

A practice amendment to indicate that any such errors will be dealt with under existing provisions on the correction of obvious errors should be published.

4.4.6 Address for service

Many EUTM registrations have an address for service outside the UK (but within the EEA). Currently, this would not present a problem, as UK trade mark registrations may have an address for service in any EEA country. However, it is anticipated that this may change in consequence of Brexit, meaning that a mechanism for appointing a UK address for service would be required.

CITMA suggests the continuation of the existing EEA address for service onto the UK register and a requirement that the owner appoints a UK address for service at renewal, on enforcement or other interaction with the IPO.

4.5 Registered designs

4.5.1 Description

When RCDs are converted into equivalent UK Registered Designs (UKRDs), any description filed with the RCD (which as a matter of community design law does not affect the scope of protection afforded to the RCD) shall likewise not affect the scope of protection afforded to the converted UKRD.

4.5.2 Publication

Deferred publication for UKRDs should mirror the 30 months provided in the RCD system.

4.5.3 Address for service

Many RCD registrations have an address for service outside the UK (but within the EEA). Currently, this would not present a problem, as UK design registrations may have an address for service in any EEA country. However, it is anticipated that this may change in consequence of Brexit, meaning that a mechanism for appointing a UK address for service would be required.

CITMA suggests the continuation of the existing EEA address for service on the UK register and a requirement that the owner appoints a UK address for service at renewal, on enforcement or other interaction with the IPO.

4.5.4 Ongoing proceedings

Any RCD registration which is subject to invalidation proceedings at the date of Brexit should be put on the UK register but marked to indicate that the fate of the UK registration is tied to EUIPO proceedings. If the 'parent' RCD registration is subsequently cancelled then the UK 'child' registration would also be cancelled.

4.5.5 International designs

The UK is set to join the Hague Agreement for international design registrations in March 2018.

4.6 Unregistered designs

Unregistered design protection raises complex issues which are outside the scope of this paper but in general we support the UK mirroring unregistered Community design rights in the UK when possible. We also support the proposal that unregistered Community design rights should continue to apply in the UK for the duration of such designs created prior to the date of Brexit.

4.7 Other considerations

Many other issues are still under discussion, including the exhaustion of rights and the future protection of Geographical Indications (GIs). With GIs our view is that the UK should accede to current EU regulations where these suitably exist or that the government should be requested to create new regulations where these do not, *e.g.* a new legal framework, including a new UK register for GIs.

Current agreements such as licences and co-existence agreements that refer to the EU will need reviewing, and we would advocate confirmation that references to the EU in agreements during the time of membership of the UK in the EU should be construed as continuing to include the UK.