

**APPG on Legal and Constitutional Affairs  
- Inquiry on the effect of Brexit on legal services**

**Response from The Chartered Institute of Trade Mark Attorneys**

**Summary**

- UK Chartered Trade Mark Attorneys (CTMAs) are the largest single group responsible for EU trade marks (EUTMs) and registered community designs (RCDs) from non-EEA countries, bringing in millions of pounds to the legal sector every year.
- Without a suitable framework in place UK CTMAs will lose the right to carry out EUTM and RCD work before the European Union Intellectual Property Office (EUIPO), including for UK clients.
- There would be serious ramifications for UK Plc and the legal industry. These include:
  - Increased costs to UK businesses
  - Damage to trans-national business relationships
  - A shrinkage in the legal profession
- The financial impact of CTMAs losing their right to represent clients at the EUIPO is likely to be between £789 million and £1.7 billion per year<sup>1</sup>.
- If the UK falls outside the EEA, a bilateral agreement is required for UK CTMAs to continue to practice before the EUIPO

**Background**

1. Trade mark intensive industries contribute £650 billion to the UK's gross domestic product (GDP) every year<sup>2</sup>. It is the protection of these valuable intellectual property rights by Chartered Trade Mark Attorneys (CTMAs) that allows for the exploitation of trade mark and design rights by UK business internationally.
2. Founded in 1934, chartered in 2016, the Chartered Institute of Trade Mark Attorneys (CITMA) is a UK-based professional membership organisation representing the interests of over 1500 trade mark and design legal professionals. Our community of members includes fully qualified trade mark attorneys, those in training and support roles, and barristers and solicitors with a trade mark or design interest working around the world.
3. We are responding on behalf of our 1,500 members, who work across the UK, Europe and internationally.

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<sup>1</sup> 'Trade marks, designs, business and Brexit', December 2017  
[https://www.citma.org.uk/membership/brexit/brexit\\_business\\_case](https://www.citma.org.uk/membership/brexit/brexit_business_case)

<sup>2</sup> IPO Fast Facts 2017  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/581279/Fast-Facts-2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/581279/Fast-Facts-2017.pdf)

## Responding to question one:

*1. What would the impact of Brexit be on your firm's workforce, business structure and client base?*

*1.1 Do you or your firm advise EU based clients on English and Welsh law on a fly in and fly out basis? If so, what would the impact of Brexit be on this work?*

4. The UK trade mark profession would be seriously impacted if the present rights to act before the EUIPO are lost.
5. Currently, as the UK is in the EU and European Economic Area (EEA), UK CTMAs have rights of representation before the EUIPO.
6. Non-EEA applicants before the EUIPO need to have an address for service within the EEA to address objections, and many UK CTMAs are appointed by clients in eg USA, Japan, Australia, China, and Canada, for this specific purpose. If CTMAs cannot act then those clients must appoint other EEA attorneys in our place, and the work will be lost from the UK.
7. UK CTMAs are "professional representatives admitted and entered on the lists maintained by the EUIPO". In the words of the EUIPO's own guidelines:

"In order to be entered on the list, three requirements must be fulfilled

  - i. The representative must be a national of one of the Member States of the EEA.
  - ii. They must have their place of business within the EEA.
  - iii. They must be entitled under national law to represent third parties in trade mark matters before the national industrial property office. To that end they must provide a certificate attesting this from the national industrial property office of a Member State of the EEA."
8. Each of these three criteria is threatened by Brexit.
9. This means that, at present:
  - i. UK CTMAs can defend and protect businesses' registered trade mark and design interests throughout the EU
  - ii. UK CTMAs can act as a representative for all non-EEA countries to register their trade marks and designs in the EU, as well as protect their already registered rights.
  - iii. Britain's businesses, their brands and their ideas are respected across the world. CTMAs provide vital legal services which enable businesses across all sectors to operate with their IP protected and enforced.
10. Losing the right to represent their clients before the EUIPO due to Brexit threatens to undermine this.

11. Without a framework enabling CTMAs to continue to represent clients in the EU, there would be serious ramifications for UK Plc and the legal industry. These include:
  - i. Increased costs to UK businesses
  - ii. Damage to trans-national business relationships
  - iii. A shrinkage in the legal profession
12. UK CTMAs account for nearly one-quarter (23.7%) of all European Union Trade Marks (EUTMs) filed<sup>3</sup>.
13. UK CTMAs are a gateway for non-EEA businesses to file and maintain EUTMs – generating lots of business for the UK profession.
14. UK trade mark attorneys represent over half of all EUTMs held by entities based in the USA. The USA is the largest single non-EU country for EUTM ownership
15. The associated financial impact of UK Chartered Trade Mark Attorneys losing their right to represent clients at the EUIPO is likely to be between £789 million and £1.7 billion per year<sup>4</sup>.

*1.3 What areas of law do you or your firm advise on? What impact could Brexit have on the specific areas of law you or your firm advises on?*

16. CTMAs advise on the protection and commercial exploitation of intellectual property rights, with particular reference to branding matters, trade marks and designs.
17. The EUTMs and RCDs currently are equally valid and enforceable in all EU member states. After the UK leaves the EU it is of paramount importance for all existing registered IP rights to continue to cover the UK, ideally through a “cloning” mechanism. To fail to honour EUTMs and RCDs in the UK, by the most straightforward and practical method possible, would mean, literally, a loss of property.
18. We are calling for a solution which would see all existing EUTMs and RCDs replicated on the UK registers, to ensure continued coverage of the UK.

**Response to question four:**

*4. Are contingency plans currently underway to mitigate the risks of Brexit on your firm or business? If so, what immediate steps have been taken?*

19. We have seen a number of larger UK trade mark attorney firms establishing offices in other EU countries since the referendum result was announced. We have been informed anecdotally that this is happening to try overall to mitigate the impact of Brexit on firms. The opening of an EU office does not in itself enable an individual UK CTMA to continue to practice at the EUIPO and it is pulling resources out of the UK.

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<sup>3</sup> ‘Trade marks, designs, business and Brexit’, December 2017  
[https://www.citma.org.uk/membership/brexit/brexit\\_business\\_case](https://www.citma.org.uk/membership/brexit/brexit_business_case)

<sup>4</sup> ‘Trade marks, designs, business and Brexit’, December 2017  
[https://www.citma.org.uk/membership/brexit/brexit\\_business\\_case](https://www.citma.org.uk/membership/brexit/brexit_business_case)

20. Many smaller and independent trade mark attorney firms do not have the resources to open such offices.
21. Another trend is for UK CTMAs requalifying in other jurisdictions, most notably in the Republic of Ireland: but that will not be enough if a UK national is no longer entitled to practice before the EUIPO because of being a UK national. Also, representation in Ireland additionally requires EEA residency, under present Irish law.
22. Anecdotally we are aware of some attorneys seeking dual nationality.

**Response to questions six and nine:**

*6. What mechanisms are needed to ensure that lawyers of England and Wales are able to practise EU law? Would mutual recognition of legal professional qualifications be sufficient?*

*9. What is needed to ensure that your firm or business is able to provide legal services in the current structure?*

23. The optimal position for CTMAs and the businesses reliant upon their services is that the UK remains a member of the EEA. This would ensure no loss of rights of representation at the EUIPO.
24. But if the UK falls outside the EEA a bi-lateral arrangement with the EU would be required for CTMAs to continue to represent their existing and future clients at the EUIPO.
25. It would also assist if the Irish Government agreed to recognise as professional representatives Irish-qualified practitioners who are resident in the UK.

**Response to question 10:**

*10. What would the impact be on your practice or firm if no effective agreement is reached with the EU?*

*10. What are your main concerns on your practice after Brexit?*

26. The cost to UK businesses could be hugely significant, as they look to make sure their products and services are still protected through registration in the EU.
27. CTMAs losing the right to represent clients at the EUIPO would have a significant negative effect on the industry, as well as on the wider business community as a whole, resulting in a shrinkage of the profession and increased costs to UK Plc.
28. The loss of work before the EUIPO is likely to have a severe effect on the profession. The continuation of work before the UKIPO will not compensate for the loss of work before the EUIPO. That is likely to be true even if the work increases a little at the UKIPO following Brexit, which is likely to be a short-term effect.
29. As started in our response to question one, CTMAs lead the world in representing non-EEA organisations at the EUIPO, particularly from the USA. These vital commercial relationships are seriously endangered by ongoing uncertainty and potential future loss of rights of representation.

30. The businesses within the CTMA profession not only stand to lose a significant amount of income from filing fees, but also from associated income linked to their work with EUTMs and Registered Community Designs (RCDs).
  31. The UK Government must act to make sure that CTMAs retain their current EUIPO rights of representation post-Brexit.
  32. The UK Government must provide certainty on its commitment to the UK's trade mark and wider legal and IP sectors to mitigate the loss of business to EEA-based competitors before Brexit takes place.
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