

Brexit and your trade marks – what now?

Now that we are in the ‘transitional period’ many uncertainties about the post-Brexit future remain. The good news is that dramatic changes in trade marks rights are unlikely – at least for now.

Mathew Healey explains that this particular cloud may have a silver lining for brand-owners.



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I head up Bates Wells’ in-house team of specialist trade mark lawyers.

Brand is key for non-profits and responsible businesses alike. My team and I aim to help you look after these precious assets in the best way that you can.

You may be aware that the UK left the European Union on 31 January 2020. The one question that is gripping UK businesses and charities is: ‘what has happened to our EU Trade Mark rights?!’

You will be pleased to learn that, for many, the short-term answer is ‘not a lot’. As with anything Brexit-related, the long answer is slightly more complicated. The key thing to know is that existing EU Trade Mark registrations will split into two separate rights – not immediately upon Brexit, but at the end of the transitional period (as things stand, 31 December 2020). One of these will cover the UK, and the other what remains of the EU. These will pleasingly be known as ‘child’ and ‘parent’ rights respectively. No administrative steps will be needed to effect this division, and (happily, given the potential economic downturn) no fees will be payable.

Do bear in mind that EU (and UK, and almost all other) trade marks are subject to ‘use it or lose it’ provisions. If you currently have an EU Trade Mark that is mainly or predominantly used in the UK, then bear in mind that the post-Brexit ‘parent’ registration could, over time, become vulnerable to third-party attack on the basis of non-use.

We will update our own database of the hundreds of EU Trade Marks we currently look after. But we also recommend that trade mark owners keep their own records, as longer-term, inevitably, there will be an administrative and costs penalty. Parent and child registrations will need to be renewed separately at the end of every 10-year cycle, with official fees being paid to both UK and EU governments.

The position is more fraught for pending EU Trade Mark applications. Any case that is still pending when the split happens will no longer cover the UK. In such instances, EU applicants will have nine months to submit corresponding UK applications – obviously, at additional cost – which, if and when registered, will be backdated

to the time of the parent EU application. Such ‘child’ applications will start from square one of the UK application process and there will inevitably be some trade marks that, having been provisionally accepted for EU registration, will be rejected by the UK office. The criteria for ‘trademarkability’ are largely subjective, and the UK and EU Offices are quite capable of taking opposing views on the same subject matter.

The situation for those dealing with pending complaints (to use and trade mark registration of others’ brands) is even more complex. It is impossible to summarise the workings of what amounts to a gargantuan (and, in the final analysis, pointless) unpicking exercise, except to say that each case will depend on its particular circumstances. If you have a good trade mark lawyer, they will already be thinking strategically about what Brexit will mean for your case (possibly while quietly sobbing into their copy of the relevant statute).

Lastly, and very quickly, the position regarding some other IP-related issues is as follows:

- there are broadly equivalent provisions for EU registered designs;
- patents are largely unaffected – there is such thing as a European Patent but it is not a creature of EU law, and its geographical coverage is not contiguous with the EU;
- there are some difficult provisions about Database Rights. Database rights are a creature of EU law, and (predictably enough) protect databases created by individuals and businesses in the EEA from unauthorised copying or extraction, for 15 years from the year of creation. There will be no obligation for the EU to extend that protection to UK businesses after Brexit. This is pretty knotty stuff (and if you think it may affect you, you should certainly seek advice).



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FIND OUT MORE

As the immediate and wider implications of Brexit gradually unfold, we'll keep you updated on the latest legal updates and essential knowledge for your organisation – take a look at our current thinking here: <https://bateswells.co.uk/campaigns/navigating-brexit>

The current position concerning 'exhaustion of rights' (the law around grey importation of goods, which relies on trade mark rights to block unauthorised sale of otherwise legitimate products intended for other markets) is, as far as the writer can discern, a mess. Some very smart people will make a lot of money from this.

To summarise, if there are things to fear from Brexit, we don't think the changes to brand protection are one of them. But these are changes nonetheless, and if you have concerns about how they are likely to affect you, don't hesitate to drop your usual Bates Wells contact (trade marks team or otherwise) a line.

