



INTELLECTUAL PROPERTY AND A NO-DEAL BREXIT THE GOVERNMENT'S GUIDANCE ON EXITING THE EU WITH NO DEAL

On 24 September, the UK government published notices about what they plan will happen in various areas of intellectual property law if the UK leaves the EU on 29 March 2019 without a withdrawal agreement or a transitional period. The notices confirm that the European Union (Withdrawal) Act 2018 will convert existing EU regulations relating to intellectual property into UK national law and will preserve domestic legislation implementing EU Directives on intellectual property matters. We summarise the contents of the notices below.

Trade marks and designs notice

On a no-deal Brexit, right holders with trade marks and designs registered at the EU IPO will have a new UK equivalent right granted which will be treated as if it had been applied for and registered under UK law. The relevant notice says that grant will be “with minimum administrative burden” but goes into no further detail. Right holders will be notified that a new right has been granted and will have an opt out option if they have no interest in having a UK right.

Pending applications before the EU IPO will have to be refiled as UK national applications and the usual fee will be payable. If they are refiled within 9 months from Brexit, claims to the original filing date, priority and seniority will be recognised. Applicants should note the need to refile as they will not be notified by the UK IPO.

The **notice** confirms that the UK is working with the World Intellectual Property Organisation to provide continued protection in the UK for international registrations under the Madrid and Hague systems designating the EU.

The notice confirms that EU unregistered design right protection (currently under Regulation 6/2002/EC) will be preserved and a new equivalent UK right will be created to be called the “supplementary unregistered design right”. This will sit alongside the current UK unregistered design right which for new designs after Brexit will apply only to designs first disclosed in the UK. The notice foreshadows that provisions will be made for disputes ongoing before the UK courts involving EU rights. The notice does not mention disputes (such as invalidation actions) ongoing before the EU IPO at Brexit. People challenging EU registrations may need to refile against the new UK right.

The notice indicates that there will be no immediate changes to the rules for representation before the UK IPO, meaning that owners of new UK rights equivalent to their pre-Brexit EU rights may continue to have an address for service outside the UK but within the EEA. It is not in the gift of the United Kingdom to determine the rules for representation before the EU IPO. The notice cross-refers to the official position of the EU on representation in the EU IPO, post Brexit which is as follows:

"Natural or legal persons that are domiciled or have a seat in the United Kingdom only will have to be represented before the European Union Intellectual Property Office in accordance with Article 120(1) of Regulation (EU) 2017/1001 (on the European Union trade mark) and Article 78(1) of the Regulation (EC) No 6/2002 (on Community designs) in all proceedings provided for in those two Regulations, other than the filing of an application for an EU trade mark or an application for a registered Community design."

UK-based rightsholders and rightsholders elsewhere currently using UK-based representatives at the EU IPO will need to check whether their current representation will be compliant post Brexit.

Patents notice

Currently, only a few specific areas of UK patent law come from EU legislation. The current EU regulations on supplementary protection certificates will be converted into domestic law via the EU Withdrawal Act. This new law, combined with the existing supporting provisions in UK patents legislation will form a UK domestic supplementary protection system. EU law concerning patentability of biotechnological inventions, compulsory licensing and exceptions for infringement for studies, trials and tests carried out on pharmaceutical products will be preserved.

The **notice** confirms that existing rights and licences in force in the UK will remain in force after Brexit and that the legal requirements and application processes will continue as previously, for UK applicants, EU applicants and third country applicants. However, the notice recommends that businesses monitor for any changes to applicable regulatory processes.

Looking forward, the United Kingdom has ratified the Unified Patent Court Agreement, but the Unified Patent Court and unitary patent are not yet in force, as ratification by Germany is still outstanding. It is unclear whether the Unified Patent Court and unitary patent will start before 29 March 2019. If it does, a framework for the relevant domestic legislation is already in existence. The notice is careful to characterise the Unified Patent Court as an international patent court being established through an international agreement and the unitary patent as a single patent covering a number (but not all) of the EU member states and administered by the European Patent Office (which is not an EU body).

If the Unified Patent Court and unitary patent come into force, the UK government says it will "explore" whether the UK can remain in the system after a no-deal Brexit or whether it will need to withdraw. If it has to withdraw, the notice confirms that any existing unitary patents will give rise to equivalent UK protection.

Copyright notice

The EU Withdrawal Act will preserve the many areas in which UK domestic copyright law has been moulded by EU Directives over the last 2 decades. However, there will be change in several areas where protection depends on cross-border reciprocity within the EU/EEA, rather than international treaties. These include:

- UK holders of sui generis database rights may lose protection in EEA countries;
- Online content service providers will not be required (or able) to offer cross border access under the Portability Regulations (2017/1128) to UK consumers when they temporarily visit the EU;
- UK-based satellite broadcasters who currently rely on the country of origin copyright clearance rule under Directive (93/83/EEC) may need to start clearing copyright in member states to which they broadcast;
- UK cultural heritage institutions that make copyright works available online in the EEA under the Orphan Works Directive (2012/28/EU) may need to stop, or to limit access on a geographic location basis;
- UK Collective Management Organisations will need to revise their mandates to EEA Collective Management Organisations for the provision of multi-territorial licensing of online rights in musical works (Directive 2014/26/EU); and
- There will be some disruption around cross-border transfer of accessible format copies of copyright works, pending the UK ratifying the Marrakesh VIP Treaty in its own right.

Exhaustion notice

Currently intellectual property rights to control distribution of goods are exhausted for the whole EEA when those goods are placed on the market within the EEA by the rightholder or with its consent.

The applicable **notice** confirms that in the event of a no deal Brexit the UK will continue to apply this regional exhaustion on a temporary basis, to minimise disruption, so that goods placed on the market elsewhere in the EEA can continue to be imported into the UK without infringement. The same may not apply in reverse, however, i.e. businesses exporting goods from the UK to EEA member states may need to seek licences.

Longer term, a research project is underway to determine an appropriate exhaustion regime.

CLIFFORD CHANCE

CONTACT



Vanessa Marsland
Partner
London

T: +44 20 7006 4503
E: vanessa.marsland@cliffordchance.com

This publication does not necessarily deal with every important topic nor cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street,
London, E14 5JJ

© Clifford Chance 2018

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571
Registered office: 10 Upper Bank Street,
London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications.

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or contact our database administrator by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ.

Abu Dhabi • Amsterdam • Barcelona
Beijing • Brussels • Bucharest
Casablanca • Dubai • Düsseldorf
Frankfurt • Hong Kong • Istanbul
London • Luxembourg • Madrid
Milan • Moscow • Munich • Newcastle
New York • Paris • Perth • Prague
Rome • São Paulo • Seoul • Shanghai
Singapore • Sydney • Tokyo • Warsaw
Washington, D.C.

Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.