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EU Publishes Draft Withdrawal Agreement

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Background

The European Union Trade Mark (EUTM) is a single trade mark that applies in all 28 Member States of the EU, including the UK. In a referendum in June 2016, the UK voted to leave the EU. When the UK leaves the EU, the EUTM (and other EU rights such as the Community Design Rights) will cease to apply in the UK.

On 28 February 2018, the European Commission published its Draft Withdrawal Agreement setting out the proposed terms for the withdrawal of the UK from the EU.

The Agreement includes provision for a "transitional period" during which EU laws (including relating to intellectual property) would continue to apply in the UK. The transitional period would run until 31 December 2020.

Withdrawal agreement and intellectual property

Articles 50-57 of the Draft Withdrawal Agreement include provisions dealing with intellectual property – notably covering the future interrelationship between EUTMs and United Kingdom Trade Marks (UKTMs). The Agreement also deals with other forms of EU intellectual property, notably designs.

The EUTM currently extends to the UK and, although a UKTM cannot prevent use of that sign outside the UK, it can be used to form the basis of a EUTM opposition at the European Union Intellectual Property Office (EUIPO).

Trade marks

In relation to trade marks, the Draft Withdrawal Agreement provides that:

- The holder of an EUTM which was registered at the EUIPO before the end of the transition period (31 December 2020) shall, without any re-examination at the United Kingdom Intellectual Property Office (UKIPO) become the holder of UKTM consisting of the same sign, for the same goods and services.
- This conversion of any EUTM will happen automatically using the data available to the EUIPO; the trade mark holder will not need to apply to the UKIPO and the UKIPO will charge no fees for the registration of the converted right.
- A UKTM arising from this process shall:
    - enjoy the same filing, priority and renewal dates as its "parent" EUTM;
    - not be liable to revocation for non-use due to a failure to use the mark in the UK prior to 31 December 2020 (provided that it has been put to "genuine use" elsewhere in the EU by this date); and
    - will benefit from the reputation of the EUTM in the EU.
- Where an International Registration has designated the EU pursuant to the Madrid system before 31 December 2020, it will enjoy the same protection in the UK from 1 January 2021.

Designs

The Draft Withdrawal Agreement sets out comparative protection in the UK for Registered Community Designs (RCD):

- As with EUTMs, the holder of an RCD which was registered at the EUIPO before 31 December 2020, shall at that date,

automatically become the holder of a UK Registered Design for the same design.

- This conversion will not require an application on the part of the holder of the RCD and again, the UKIPO will not charge a fee for the registration of the converted right.
- A UK Registered Design created by this process shall have:
    - a term of protection at least equal to that remaining under the RCD; and
    - the same filing, priority and renewal dates as the RCD.

Discussion

It is unlikely that the UK Government will see Intellectual Property as a significant issue in the context of the many significant issues relating to the UK leaving the EU. We do not therefore anticipate that the UK Government will spend any significant time seeking to amend any of the provisions relating to IP. Therefore, if the Withdrawal Agreement is signed by the UK government, we expect the provisions on IP to remain unaltered.

Following the Brexit vote we have advised our clients to file UK national applications in addition to any EUTMs. As there remains some risk that the UK will leave the EU without any final agreement with the EU, our advice remains that clients should consider filing important new marks in the UK alongside EUTM applications.

However, the draft Withdrawal Agreement provides significant comfort to owners of EUTMs who can now expect their EUTMs to continue to be recognised in the UK without the need for a time consuming and costly conversion process.

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