

# Intellectual Property: Design and Trade Mark Law changes- no deal Brexit Guidance

The **Intellectual Property Office** (IPO) recently issued guidance on changes to registered design, design rights and international design and European Union Trade Marks ('EUTM') if the UK leaves the EU without a deal in place ('Guidance').

The Guidance covers the jurisdictions of England; Northern Ireland; Scotland and Wales. All changes will take effect at the time that the UK ceases to be a Member State of the European Union

## Changes

- Introduction of **The Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019**
- UK businesses will have to obtain registered design protection in the remaining 27 Member States of the EU through an **application to the EUIPO**.
- Businesses from the EU and worldwide will have to apply for a UK registered design **through the IPO**.
- UK to create **re-registered UK designs at no cost to the RCD holder**.
- The number allocated to the re-registered design will consist of the **full RCD number prefixed with the digit '9'**.
- If you hold a **pending RCD application on exit day**, you will be able to apply for a UK registered design. You will be able to claim the earlier filing date and any priority date of the corresponding RCD application.
- As a re-registered design holder you may **opt out** in limited circumstances.
- Changes to renewals of design registrations and re-registered designs.
- Creation of UK **Supplementary Unregistered Designs**.
- **The Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2018**, maintain the existing approach by setting out that the question of whether a product has been lawfully placed into free circulation will be assessed in relation to the same geographical area i.e. the EEA together with the UK.
- After exit, **qualification for the design right** will be limited to persons resident in, and business formed under the laws of the UK or a qualifying country.
- **Creation of the re-registered international design at no cost to the registered international design holder**.
- Under the new law, an international registration that is deferred on exit day **will be treated as being equivalent to a pending application**.
- **Creation of the comparable UK trade mark (IR)** at no cost to the holder.

## Abbreviations

<b>EUIPO</b>	European Intellectual Property Office
<b>EUTM</b>	European Union Trade Marks
<b>IPO</b>	Intellectual Property Office
<b>IR</b>	Comparable Trade Mark
<b>RCD</b>	Registered Community Design
<b>SUD</b>	Supplementary Unregistered Designs
<b>UCD</b>	EU Unregistered Community Design
<b>WIPO</b>	World Intellectual Property Organisation

## What is covered?

The Guidance addresses the impact on UK trade mark and registered community design (**'RCDs'**) right holders, businesses and other organisations in the event of a no deal.

## Overview

The Guidance explains the changes to UK law that need to be made in order to preserve existing design and international rights. It covers the impact of those changes on UK right holders.

If a deal is not reached and the UK exit the EU, then any RCDs, unregistered community designs (UCDs), and protected international trade mark and design registrations designating the EU will no longer be valid in the UK:

Registered community designs (RCDs), unregistered community designs (UCDs), and protected international trade mark and design registrations designating the EU will no longer be valid in the UK. On exit day, these rights will be immediately and automatically replaced by UK rights. If you own an existing right, you do not need to do anything at this stage.

When the UK leaves the EU, any existing RCDs, UCDs, EUTM, and International (EU) Designs and Trade Marks will only cover the remaining EU Member States. They will no longer provide protection in the UK:

Design protection can be obtained via a registered right or an unregistered right. In the UK, registered protection can currently be obtained in the following ways:

- a national registered design granted by the Intellectual Property Office of the UK (IPO)
- a registered community design (RCD) granted by the EU Intellectual Property Office (EUIPO)
- an international registration designating either the UK or the EU, filed under the Hague Agreement at the World Intellectual Property Organization (WIPO)

Unregistered protection can be obtained in the UK through the UK design right and the EU unregistered community design (UCD).

Trade marks are registered rights, with protection in the UK granted by the Intellectual Property Office (IPO), the EUIPO, or via an international registration filed under the Madrid Protocol at WIPO:

The government has previously published guidance explaining how existing EUTM's will be preserved in the UK in the form of comparable UK trade marks.

We will also provide holders of RCDs, UCDs, and protected international design and trade mark registrations designating the EU with equivalent rights on exit day.

## How UK design and international design and trade mark law currently works

Registered and unregistered community designs both have effect in the UK. Furthermore, **protected international trade marks registrations** filed under the Madrid Protocol that designate the UK or the EU (or both) also currently have effect in the UK:

The Community Design Regulation has been amended to apply the Hague System for the international registration of industrial designs to the EU. Separately, the Registered Designs Act has been amended to apply the Hague System to the UK as an individual country.

UK legislation on trade marks is primarily contained in the Trade Marks Act 1994. Secondary legislation appears in the Trade Marks Rules 2008 and other amending and standalone regulations.

## Changing UK design and trade mark law

**Existing legislation have to be amended** to ensure that UK protection granted by all existing RCDs, UCDs, EUTMs and international design and trade mark registrations designating the EU are preserved and to allow UK law to continue to function effectively:

In addition, it will be necessary to remove or amend many of the existing references to the EU, European Economic Areas (EEA), and Member States will become redundant or inappropriate.

It is necessary to fix these deficiencies to ensure that UK law continues to work effectively in a 'no deal' scenario.

For these reasons, we have introduced **The Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019** under the powers contained in the European Union (Withdrawal) Act 2018. These regulations should be considered in conjunction with The Trade Marks (Amendment etc.) (EU Exit) Regulations 2018.

UK businesses will still be able to obtain registered design protection in the remaining 27 Member States of the EU through an application to the EUIPO. Businesses from the EU and worldwide will still be able to apply for a UK registered design through the IPO.

Designers will also still be able to establish unregistered design protection in both the EU and the UK (separately).

Businesses may also continue to use the International route for protection following the UK's ratification of the Hague Agreement for the international registration of industrial designs and the Madrid Protocol for trade marks.

## Registered design

### ❖ Creation of the re-registered design

The legislative changes will ensure that the RCD holder is provided with an equivalent UK right, in the event that the UK leaves the EU without a deal:

For all RCDs registered on exit day, we will create re-registered UK designs. These designs will be recorded on the UK register, and will be treated as if they had been applied for and registered under UK law.

They will retain the registration and application dates recorded against the corresponding RCDs and will inherit any priority dates.

As fully-independent UK rights, they may be challenged, assigned, licensed or renewed separately from the original RCD.

Re-registered designs will be created at no cost to the RCD holder, and it is intended that **minimal administrative burden will be placed upon the right holder**.

### ❖ Numbering of re-registered design

The re-registered design number will comprise the full RCD number prefixed with the digit '9'.

### ❖ Pending applications

If on exit day, there are pending RCD applications in the EU system, as a right holder, you will be able to apply for a UK registered design. You will be able to claim the earlier filing date and **any priority date of the corresponding RCD application**:

To do so, the UK application must relate to the same design as that filed in the pending RCD application.

If the details of the UK application do not match those of the corresponding RCD application, then the earlier EU date(s) will not be recognised.

These applications will be treated as UK registered design applications. They will be examined accordingly under UK law.

### ❖ Opt out

As a re-registered design holder, you may 'opt out' in certain circumstances:

You may not exercise an opt out right in the following circumstances:

- if you have assigned, licensed or entered into an agreement in relation to the re-registered design
- if you have already launched proceedings based upon it.

Opt out requests have to be submitted after the UK leaves the EU, otherwise they will not be valid.

### ❖ Renewals and restoration

Once a re-registered design is created, a separate renewal fee will apply for both the UK right and the corresponding RCD.

The fees will need to be paid separately to IPO and to EUIPO. Both UK registered designs and RCDs can be renewed every five years up to a maximum of twenty-five years.

#### ➤ Designs which expire after exit day

Where the re-registered design is due to expire within six months after exit day, the usual additional renewal fee will not be payable.

Any re-registered design with a renewal date falling at any time after exit day will be subject to a UK renewal action and fee. This is regardless of whether a renewal action was taken on the corresponding RCD before exit.

#### ➤ Designs which expire before exit day

We will also create a re-registered design from any RCD which:

- has expired in the six months prior to exit day
- has not been subject to a late renewal action at EUIPO by exit day
- is still within its six-month late renewal period on exit day

These re-registered designs will hold an 'expired' status. Their continued effect in the UK will be dependent upon late renewal of the corresponding RCD at EUIPO.

## RCD registrations and applications reinstated after exit day

Re-registered designs will only be created from RCDs which are actively registered immediately prior to exit day.

Under the Community Design Regulation, a right that has been struck from the EU register because of the applicant or owner's failure to meet a deadline may be reinstated later and treated as if it had continuous legal effect.

Therefore, EU rights which are not registered on that date but which are subject to reinstatement will not automatically result in the grant of comparable re-registered designs.

If you have a pending RCD application which was reinstated after exit day and it holds a filing date prior to exit day, you may submit a UK registered design application claiming the earlier EU filing and/or priority date.

This can be achieved within nine months of the date on which the corresponding RCD application was restored.

## Deferred publication

### ❖ Where publication of the RCD is deferred at EUIPO

The EUIPO may defer the publication of an RCD for up to thirty months.

Under the new law, an RCD that is deferred on exit day will be treated as being equivalent to a pending application.

### ❖ Applying for the UK registered design to be deferred

There are provisions under existing UK legislation creating the right to defer publication of a registered design:

UK registered design applications that do not seek to retain earlier filing and priority dates of a corresponding RCD that was deferred on exit day may request UK deferment in the normal manner.

In such cases, a period of twelve months' deferment will run from the date on which the UK application was filed. This is regardless of whether that date falls inside or outside of the nine months after exit day.

## Effect of priority claims

A priority date claimed under the Paris Convention that has been recorded against the corresponding RCD will be inherited by the re-registered design.

The date of that priority claim will have effect where proceedings involve a re-registered design with a priority claim inherited from the corresponding RCD,

## Unregistered design

### ❖ Continuing unregistered design (CUD)

Designs that are protected in the UK as unregistered community designs (UCDs) prior to exit day, will continue to be protected as **UK continuing unregistered designs** (CUD).

This right will be automatically established on exit day. It will continue to provide UCDs with protection in the UK for the remainder of the three-year term attached to the UCD.

### ❖ Supplementary unregistered design (SUD)

Under the new law, a UK unregistered design right called **Supplementary Unregistered Design (SUD) will be created.**

SUD will mirror the UCD by providing post-exit UK protection for both three- and two-dimensional designs that would have otherwise enjoyed protection under the unregistered community design.

The introduction of this right will ensure that the full range of design protection provided in the UK prior to exit day will remain available after we leave the EU.

The terms of SUD protection will be similar to that already conferred by UCD. However, the protection it provides will not extend to the EU.

## Exhaustion of intellectual property rights

The exhaustion of intellectual property rights means that the holder of the IPRS cannot stop the distribution and/or resale of a product bearing the IPRs after it has been legitimately put on the market in a specific territory, currently the EEA.

Exhaustion of intellectual property rights is covered by a separate Statutory Instrument that has been approved by Parliament (see The Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2018).

These provisions are consistent with those contained in the Exhaustion Statutory Instrument. They maintain the existing approach by setting out that the question of whether a product has been lawfully placed into free circulation will be assessed in relation to the same geographical area i.e. the EEA together with the UK.

## UK design right

UK design rights will continue to function alongside both continuing and supplementary unregistered designs after exit day, providing protection for the shape and configuration of three-dimensional articles for up to fifteen years from the end of the year in which the design was first recorded or a corresponding article was first made.

Current law states that a UK design right can be established by an individual who is resident in the EU, a business formed under the laws of an EU member State, and where first disclosure of the design occurs in an EU member state.

After exit, qualification for the right will be limited to persons resident in, and business formed under the laws of the UK or a qualifying country.

Where qualification is a result of first marketing, you will need to have disclosed your design in the UK or a qualifying country.

## Re-registered international designs

### ❖ Creation of the re-registered international design

International design registrations protected in the EU under the Hague Agreement will have no effect in the UK after we have left the EU. In this regard, a new **re-registered international design will be created from each International (EU) design** that holds a protected status immediately before exit day.

These UK rights will be identical to the re-registered designs being created from registered community designs (RCD).

They will be independent UK rights, and so may be challenged, assigned, licensed or renewed separately from the original international (EU) design.

Like UK rights being created from RCDs, re-registered international designs created from protected international (EU) designs will be created at no cost to the holder.

## ❖ **Numbering of re-registered design**

The number allocated to the re-registered international design will consist of the full IR (EU) number prefixed with the digit '8'.

## ❖ **Pending applications**

The IPO will not be creating re-registered international designs from international (EU) designs that are protected immediately before exit day.

## ❖ **Opt out of holding a re-registered international design**

Owners of protected international (EU) registered designs may opt out of holding a re-registered international design, through the same opt out mechanism for holders of RCDs and EU trade marks.

## ❖ **Renewals and restoration**

The re-registered international design will retain the existing renewal date of the corresponding international registration.

### ➤ **Designs which expire after exit day**

The same procedure for renewal and late renewal of registered designs under the Registered Designs Act and the Registered Designs Rules will apply to re-registered international designs.

### ➤ **Designs which expire before exit day**

A re-registered international design will be created from any International Registration that:

- has expired in the six months prior to exit day
- has not been subject to a late renewal action at WIPO by exit day
- is still within its six-month late renewal period

These re-registered international designs will hold an 'expired' status. Their continued effect in the UK will be dependent upon late renewal of the corresponding international registration at WIPO.

## **Deferred publication**

### ❖ **Where publication of the international registration is deferred at WIPO**

Under existing law, the publication of an international registration designating the EU may be deferred for up to thirty months.

Under the new law, an international registration that is deferred on exit day will be treated as being equivalent to a pending application.

This means that a holder can preserve its earlier filing and priority dates in the UK by filing an equivalent UK registered design application within nine months after exit day.

### ❖ Effect of priority claims

Accordingly, where proceedings involve a re-registered design with a priority claim inherited from the corresponding international registration, the date of that priority claim will have effect.

## Trade Marks

### Comparable trade mark (IR)

#### ❖ Creation of the comparable UK trade mark

**A new comparable trade mark (IR) will be created on exit date** as International trade mark registrations protected in the EU under the Madrid Protocol will no longer enjoy protection in the UK after we have left the EU.

To address this, on exit day we will create a comparable trade mark (IR) in relation to each international (EU) trade mark designation which has protected status immediately before exit day.

Each new UK right will be treated as if applied for and registered under UK law, and may be challenged, assigned, licensed or renewed separately from the original international registration.

If you designated the EU in your international application, the filing and registration date of your comparable trade mark (IR) will correspond to the date of your international registration.

This date will also apply for the purposes of future UK renewal.

Comparable trade marks will be created at no cost to the holder of the international trade mark.

#### ❖ Numbering of comparable trade mark

The number that will be allocated to the IR will be the last 8 digits of the international (EU) trade mark prefixed with UK008.

#### ❖ Opt out of receiving a UK comparable trade mark

The owners of protected International (EU) trade marks may opt out of receiving a IR.

#### ❖ Renewals and restoration

Comparable trade marks will inherit the existing renewal date of the corresponding international registration.

#### ❖ Use and reputation

For a national trade mark, where there has been a period of 5 years uninterrupted non-use in the UK, this would render a mark vulnerable to challenge.

Applying this approach to comparable UK trade marks created on exit day, many of which will correspond to international (EU) trade marks that have never been used in the UK, would fail to provide sufficient protection for those new comparable rights.

It would likely lead to outcomes that are both unintended and unjust.

#### ❖ **Proof of registration**

The holders of new re-registered designs and comparable trade marks will not receive UK registration certificates:

Details of the new UK right will be accessible via our [Find a registered design](#), and [Search for a trade mark](#) services on GOV.UK, and also via the EUIPO's [DesignView](#) platform.

#### ❖ **Licences, security interests and assignments**

On exit day, you may hold a Registered Community Design (RCD), protected International (EU) design, or protected (EU) trade mark which is subject to a licence or security interest, and that licence or security interest may authorise actions in the UK which would otherwise infringe the RCD or International (EU) right.

Subject to any specific conditions it may require, the new law confirms that such a licence or security interest will continue to have legal effect in the UK.

Any licence or security interest that refers to an RCD or International (EU) right and authorises acts in the UK will therefore be treated as if it applies to the re-registered design or comparable UK trade mark.

It is important that you notify any licensees of the new right. You should check that the creation of the new right does not breach any agreement.

UK law does not require that transactions are registered per se. However, licences and security interests which are registered at IPO within a period of six months after the date of their being entered into provide certain protections which do not apply to unregistered transactions.

These protections assist persons with an interest in the design or trade mark and those seeking full relief for infringement, and they are largely dependent upon proof that an application to register a transaction has been made.

We recognise that applications to register licences and security interests relating to re-registered designs and comparable trade marks cannot be submitted before those rights are created.

Where a licence or security interest is already registered in the EU and/or International Registers before exit day, we will extend the period within which such transactions must be recorded on the UK register. The extended period will run to twelve months from exit day.

Where an RCD or International (EU) right has been the subject of an assignment prior to exit day which has not been recorded in the International Register, the assignor or the assignee will have the right after exit day to apply to record the re-registered design or comparable trade mark in the name of the assignee.

## ❖ Rights of representation

No change to the rights of representation.

Many holders of RCDs and international (EU) designs and trade marks will be represented by IP legal professionals based outside of the UK.

Re-registered designs and comparable trade marks will inherit the representative details that are recorded against the EU and international (EU) rights.

Those representatives will be able to continue acting before the Courts and the IPO in any proceeding relating to the equivalent UK right derived from the RCD or international (EU) design or trade mark.

At this point in time, the current rules relating to rights of representation and address for service will continue.

Therefore, representatives based in the UK, Channel Islands or an EEA Member State will continue to have rights of representation before the IPO.

Please visit our website for any advice on [Intellectual Property](#) or you may contact us by email [enquiries@rtcooperssolicitors.com](mailto:enquiries@rtcooperssolicitors.com).

### **Contact us.**

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