

## BREXIT AND IP RIGHTS – NO-DEAL STATUTORY INSTRUMENTS

Three years after the Brexit vote on 23 June 2016, it is still unclear when, how or if the UK will leave the EU. As currently drafted, the UK and the EU must agree a deal or further postponement before 31 October 2019 to prevent the UK from leaving in a ‘no-deal’ Brexit.

This article provides a summary of how various aspects of IP law in the UK would be affected by either the enactment of the Draft Withdrawal Agreement published on 14 November 2018 or in the event of a no-deal Brexit.

The no-deal impacts are from a series of technical notices published by the UK IPO which were then given effect in a series of Statutory Instruments (“SIs”) under the European Union (Withdrawal) Act 2018. As drafted, if the Draft Withdrawal Agreement is passed, the SIs would also come into effect at the end of the transition period. The ‘transition period’ is the period from Exit Day until 31 December 2020. This period may be extended before 1 July 2020. It is expected, however, that if a deal were to be reached, the SIs would be amended during the transition period as part of the ongoing negotiations between the UK and the EU.

In addition, the potential impact on UK rights within the EU in the event of a no-deal Brexit is drawn from the [guidance from the EU IPO Brexit Information Hub](#).

### EU REGISTERED RIGHTS

#### Under Draft Withdrawal Agreement

- If registered at the end of the transition period, the owner would receive an automatic UK right without any re-examination (or cost) (*Article 54(1)*).
- If a registered right were to be under challenge at the end of the transition period and is subsequently cancelled, protection will be lost in the UK

unless the grounds for cancellation do not apply in the UK (e.g. if the challenge was based on an earlier national right in an EU 27 country) (*Article 54(3)*).

- Pending applications for EU rights could be re-filed in the UK (at a cost) but it would be possible to preserve priority if applicable time limits are met (9 months for trade marks and designs) (*Article 59(1)*).
- UK representatives would be able to continue to act post transition on procedures pending at transition, including appeals (*Article 91*).

## **If No Agreement**

### **Applicable SIs**

- [\*The Trade Marks \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(SI 2019/269\)\*](#).
- [\*The Designs and International Trade Marks \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(SI 2019/638\)\*](#).

### **Impact**

- Owners would be granted an automatic UK right (subject to possibility of opt-out) for existing registrations substantially as under the Draft Withdrawal Agreement, but as of Exit Day rather than the transition period. Under UK law, Registered EU Trade Marks in force on Exit Day would become ‘comparable trade marks (EU)’ (*2019/269, Reg. 2*), and Registered EU Designs in force on Exit Day would become ‘re-registered designs’ (*2019/638, Reg. 5*).
- There are similar provisions to those in the Draft Withdrawal Agreement for applications pending on Exit Day (*2019/269, Reg. 2, Para. 25; and 2019/638, Reg. 5, Para. 11*).
- The [EUIPO has stated](#) that pending oppositions and invalidity requests based solely upon earlier UK rights would be dismissed. Furthermore, UK representatives would lose all rights of representation from Exit Day, even for pending procedures (*Communication No. 2/2019*).

## **GEOGRAPHICAL INDICATIONS (“GIS”), PROTECTED DESIGNATION OF ORIGIN AND TRADITIONAL SPECIALITIES/TERMS FOR WINE**

### **Under Draft Withdrawal Agreement**

- If registered at the end of the transition period, the UK would grant at least equivalent protection to EU GIs (*Article 54(2)*).

## **If No Agreement**

### **Applicable SIs**

- [\*The Food and Drink, Veterinary Medicines and Residues \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(SI 2019/788\)\*](#).
- There are also specific changes envisaged in other SIs but 2019/788 effects the main changes and establishes the UK GI scheme.

### Impact

- The UK will set up a new GI scheme with its own logo run by the Department for Environment, Food and Rural Affairs (“Defra”). Defra are expected to publish anticipated guidance on administration of the new scheme in October 2019.
- Existing UK products registered under EU GIs will have three years to comply with the new logo requirement (*Explanatory Memorandum to 2019/788, Para. 7.7.3*).
- Defra anticipate that the EU will protect existing EU GIs for UK producers, however, the EUIPO has not confirmed this. UK producers relying on EU GIs may then need to apply for new EU GIs as ‘third country’ applicants ([Protecting food and drink names if there's no Brexit deal](#)).

## EU UNREGISTERED RIGHTS AND DATABASE RIGHTS

### Under Draft Withdrawal Agreement

- UK would provide the same level and duration of protection to unregistered Community design rights arising before transition (*Article 57*).
- For database rights, UK would continue protection of database rights that existed at transition (*Article 58(1)*).
- UK nationals / residents / undertakings would potentially be brought within the test for benefitting from the EU right (under the *Draft Political Declaration, Article 45*).

### If No Agreement

#### Applicable SIs

- *SI 2019/638, as above*.
- [Database Rights - Intellectual Property \(Copyright and Related Rights\) \(Amendment\) \(EU Exit\) Regulations 2018 \(SI 2019/605\)](#).

#### Impact

- EU Unregistered designs before Exit Day will become ‘continuing unregistered designs’ and would be protected in the UK (*2019/638, Regulation 4*). Designs that satisfy the existing EU tests for unregistered designs but that are created post-Exit Day would also be protected in the UK as ‘supplementary unregistered designs’ (*2019/638, Regulation 3*).
- UK would continue protection for the Database rights of EU makers on Exit Day. UK legislation would be amended so that only UK makers will get future protection. UK makers may lose protection in the EU (*SI 2019/605, Part 3, Para. 28*).

## PATENTS, SPCS (SUPPLEMENTARY PROTECTION CERTIFICATES) AND EXTENSIONS

- The UK’s membership of the European Patent Convention will remain following Brexit and European Patent applicants will still be able to designate the UK.
- On the other hand, the Unified Patent Court (“UPC”) will be an EU institution. Ratification of the UPC Agreement has been delayed because of a pending decision by the German Constitutional Court. Whether the

UK will be able to participate in the UPC system if it comes into effect remains highly uncertain.

### **SPCs and Extensions Under Draft Withdrawal Agreement**

- Existing framework and level of protection would apply to applications submitted in the UK before transition (*Article 60*).

### **SPCs and Extensions If No Agreement**

#### **Applicable SIs**

- [\*Patents \(Amendment\) \(EU Exit\) Regulations \(SI 2019/801\)\*](#).

#### **Impact**

- UK would retain the existing system operating independently from the EU regime (*2019/801, Part 6*).

## **EXHAUSTION OF RIGHTS**

### **Under Draft Withdrawal Agreement**

- Rights exhausted before transition would remain exhausted in EU and in UK (*Article 61*).

### **If No Agreement**

#### **Applicable SIs**

- [\*The Intellectual Property \(Exhaustion of Rights\) \(EU Exit\) Regulations 2019 \(SI 2019/265\)\*](#).

#### **Impact**

- UK would continue to apply regional exhaustion on a temporary basis after Exit Day (*2019/265, Part 2*). There is no guarantee that the EU would reciprocate.

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