

CLIENT ALERT

Brexit — What About Your Trademarks and Designs?

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“Brexit means Brexit, and we are going to make a success of it.” Considering this statement of Theresa May, Britain’s new prime minister, the June 23, 2016 vote to leave the EU seems irrevocable. This will undeniably have implications with regard to trademarks and designs, although it is impossible to predict to what exact extent. In any event, existing and future owners of trademarks and/or designs should keep an eye on the following potential issues:

Need for refiling?

All European Union trademarks (EUTMs) and registered Community designs (RCDs) will have effect in the U.K. until the effective exit date of the relevant EU laws. After that, the U.K. may require refiling of new trademarks and designs in the U.K., or could decide to maintain the priority dates of all EUTMs and RCDs in some way, e.g. through an opt-in possibility for the rights owner. Rights owners could decide to file U.K. applications right away to avoid the risk of losing the priority dates on their existing trademark and design portfolio.

Seniority, proof of use and reputation

EUTM holders who claim seniority based on U.K. trademark registrations should ensure that these U.K. registrations do not lapse, as these registrations may become useful again. Also, five years after the exit date, EUTMs that are used only in the U.K. will be vulnerable to revocation due to non-use outside the U.K. Finally, from the exit date onwards, the reputation of a trademark in the U.K. will have no impact on its reputation in the EU. Therefore, EUTM holders should collect evidence of use and/or reputation of their trademarks outside the U.K.

Exhaustion of rights

European exhaustion rules, preventing a trademark owner from objecting to the further dealing of goods he or she has placed on the market within the European Economic Area (EEA), will no longer apply to goods put on the market in the U.K.

In the case of an exit from the EEA, EUTMs could thus be used to prevent imports into the EU from the U.K. Conversely, U.K. rights would not be exhausted by sales elsewhere in the EU and could be used to prevent parallel imports into the U.K. from the EU. This may discourage parallel trade into and out of the U.K.

Representation

Parties based outside the EEA need professional representation in proceedings before the European Union Intellectual Property Office (EUIPO) (except in the most straightforward trademark matters such as the filing or renewal of trademark applications or an application to inspect files).

Article 93 of the EU trademark regulation (Council Regulation [EC] No. 207/2009) requires representatives to be based in the EEA. If the U.K. decides not to join the EEA, U.K. practitioners will not be qualified to act as a representative in trademark matters before the EUIPO, unless some other agreement is made.

With regard to RCDs, any professional representative acting before the EUIPO in respect of design matters must be domiciled in an EU member state (Article 78 of the Community design regulation (Council Regulation [EC] No. 6/2002)). This means that EEA membership would not be sufficient to allow U.K. practitioners to act as representatives in design matters before the EUIPO.

Conversely, rights owners will probably need U.K. representatives in order to enforce their rights within the U.K.

Jurisdiction, enforcement and reciprocity of judgments

After the exit, the U.K. will no longer benefit from the recently amended Brussels I bis Regulation (Regulation [EU] No. 1215/2012) covering these issues across EU member states. However, the U.K. could solve the reciprocity issue through an international convention.

Cost increase

As the U.K. and EU case law will no longer be binding on each other, each system will likely have its own characteristics. For businesses interested in maintaining their trademarks and design rights in the U.K., it may be wise to provide for a higher prosecution and litigation budget to cover the increased total cost of prosecution, management and dispute resolution.

When?

In practice, the withdrawal notification of the U.K. is not expected before 2017. As a result, the actual exit is unlikely to happen before 2019. Until that time, the U.K. will continue to be an EU member state, bound by EU treaties and laws.

Visit our [*Brexit update page here*](#) to read more of our series of alerts on the 2016 Brexit referendum.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.