

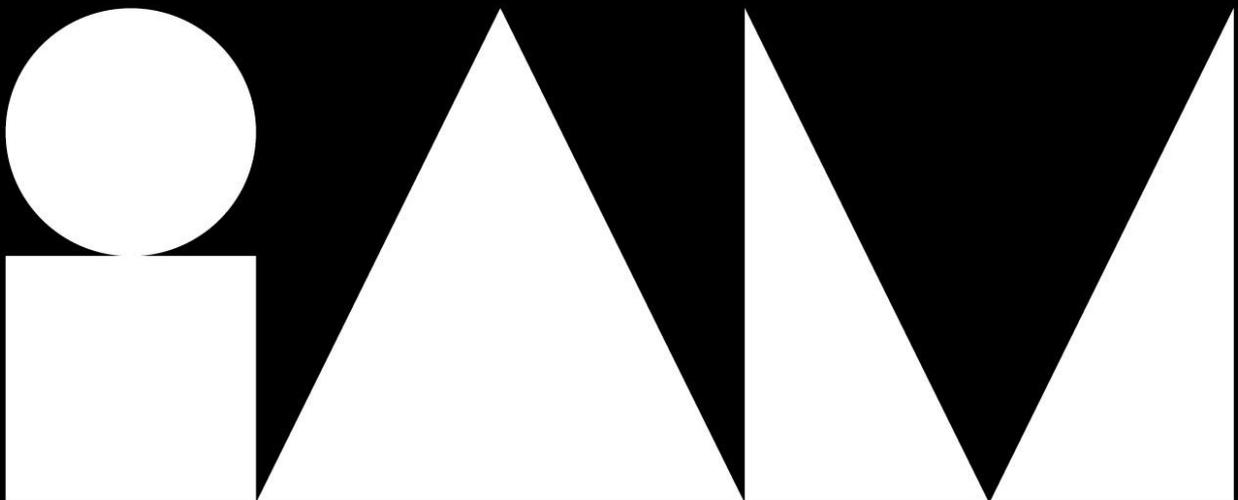
stobbs

Intangible Asset
Management

Brexit

The Final Countdown

October 2020



Notes for our European Friends regarding management of UK comparable rights:

The UK left the European Union on 1 February 2020. The transition period during which EU law has continued to apply in the UK will expire on 31 December 2020. This document sets out how the UK office will deal with UK rights cloned from EUTMs and CRDs and related pending proceedings, from 1 January 2021.

Registered EU Trade Marks

Any existing registered EU Trade Marks (and EU designations of IR registrations) will continue to have effect in the remaining member states of the EU and will automatically be cloned into a comparable UK registered trade mark, without any additional costs, on 1 January 2021.

Any priority claim recorded against the EUTM will be inherited by the cloned UK registration.

Any seniority claim based on an earlier UK or IR that has been recorded against an EUTM will be retained by the cloned UK registration.

Note that a cloned EU designation of an IR will become a national UK registration and will not remain part of the original IR registration. However, it will be possible to subsequently designate the UK for the IR registration and then to request replacement of the comparable UK registration with the new subsequent designation. This would allow the holder to regain the advantages of centralised management. However, the subsequent designation would go through the usual examination process at the UKIPO, whereas the comparable UK right will be created automatically.

UKIPO will not issue registration certificates for the cloned UK trade marks and will not contact trade mark owners or their EU representatives about them.

There may be some delay in the cloning process but the existence of the cloned right is automatic from 1 January 2021.

The cloned UK registration number will be composed of the Prefix UK009 and the last 8 digits of the existing EU registration number. If the cloned right derives from the EU designation of an International Registration the Prefix will be UK008. All other details of the EU Trade Marks, such as registration date, priority date, seniority date etc. will be identical for the UK clone.

There is the possibility to opt out of the automatic cloning of an EU Trade Mark from 1 January 2021 onwards (but not before that date). This may avoid unnecessary renewal fees being incurred (eg if a UK right already exists).



Pending EU Trade Mark Applications

EU Trade Mark Applications and EU designations of IRs that are still pending on 31 December 2020 will not be automatically cloned into UK Applications but can be newly applied for in the UK and retain the earlier filing date (and priority date) of the EU trade mark. There is a deadline of 30 September 2021 for refiling in this way.

The application must relate to the same trade mark that was the subject of the EUTM application and must seek protection in respect of goods and services that are identical to, or contained within, the corresponding EU application.

The UK application will include an intention to use declaration, so consideration of a reduction in the coverage for the UK application may be sensible.

Standard UK official filing fees for the UK Application will apply. However, Stobbs fees for the refiling will be a fixed cost of €270, regardless of number of classes. The UK Application will be examined and moved forward according to UK law.

Registered Community Designs

Existing Registered Community Designs (RCDs) that were registered before or on 31 December 2020 and fully published will be automatically re-registered as equivalent UK registered designs (UKRDs) on 1 January 2021. There will be no costs and the designs will keep the application, registration and publication dates of the RCD.

The registration numbers of these UKRDs will be composed of the RCD registration number with the number 9 in front of it, whereas number extensions will be maintained but without the -. For example: The UK equivalent of your RCD No. 000091202-0001 will be 90000912020001, the UK equivalent of your RCD No. 001735434-0002 will be 90017354340002.

The UKRD number for the equivalents of EU designations of International Designs will be composed of the full international number, pre-fixed by the number 8.

Just as with trade marks, there is the possibility to opt out of the automatic re-registering of your RCD into a UKRD. Requests to opt out can only be filed after 1 January 2021.

Pending Community Design Applications

Community Design Applications that are still pending at the end of the transition period on 31 December 2020 will have to be newly registered with UKIPO within a period of 9 months but can claim the filing date of the RCD.

If the RCD is still under deferred publication, it will not be possible to defer the UK publication to a date that is later than the RCD publication. Also, the shorter UK deferment rules apply according to which a deferment of the publication is only possible for 12 months in contrast to the RCD rules where a deferment of the publication is possible for 30 months.



Standard UK official filing fees for application and publication will apply. However, Stobbs fees for the refiling will be a fixed cost of €470, regardless of number of designs.

Just as with trade marks, it is important that the new application is identical in all details to the RCD. Any deviation will lead to a loss of the RCD filing date.

Representation for UK comparable rights

It is not required that trade mark or design owners that receive a cloned UK right appoint a UK representative for these rights. They will exist on the register with no representative unless a request is made to appoint one.

We would of course advise that a representative is appointed for UK cloned rights to ensure that deadlines are monitored effectively. We are happy to assist in this regard. It is also possible that in due course a decision will be made to reverse the current practice of allowing EEA representatives to act before the UKIPO – this is currently under consultation.

In line with our usual practice, we will not charge any fees for recording Stobbs as representative on the UK register for cloned rights and for adding these records to our system.

Unregistered Community Designs (UCD)

Designs that are protected in the UK as a UCD before 1 January 2021 will be protected as a UK continuing unregistered design and will be automatically established on 1 January 2021.

Any such design will continue to be protected in the UK for the remainder of the three year term attached to it.

A new Supplementary unregistered design right will also be created to address differences between unregistered design rights in the UK and the EU. An unregistered UK design cannot cover 2 dimensional items such as patterns and it can last up to 15 years, whereas the unregistered EU Design can cover 2 dimensional items but is only of a 3-year duration.

The Supplementary Unregistered Design right (SUD) will ensure that the full range of design protection available in the UK now will continue to be available after 1 January 2021. SUD will mirror UCD rights by providing UK protection for both 3D and 2D designs for a three year period.

The UK unregistered design right will continue to exist with its different criteria for qualification. It will be amended from 1 January 2020 onwards, so that only people resident in the UK (or in a qualifying country – essentially UK Commonwealth countries) or businesses formed under the law of the UK (or of a qualifying country), will be entitled to the right and the design will have to be disclosed in the UK or in a qualifying country.



Renewals

EU Trade Marks or Community Designs and their corresponding UK clone will need to be renewed separately as of 1 January 2021.

Consequently, separate renewal fees will have to be paid to the EUIPO and the UKIPO and you can of course take different decisions regarding the renewal in the EU and the UK.

The same can be said for UK clones of EU designations of International Registrations. The UK trade mark will not be considered part of the International Registration, so its administration will not be conducted via WIPO and renewals will have to be done independently from the IR and directly in the UK.

The separate UK renewal fees will apply for all renewals with a renewal date on 1 January 2021 and after, **even if the renewal fee of the EU Trade Mark or Community Design was already paid before that date.**

Where the cloned registration is due to expire within the first 6 months from 1 January 2021, the UKIPO will send out a renewal reminder on the date of expiry and will grant a further 6 months for the renewal to be requested, with no late renewal fee.

EU Trade Marks that have expired before the end of the transition period

A UK clone will also be automatically created for EU registrations that

- were due for renewal in the 6 months prior to the end of the transition period and
- have not been subject to a late renewal action at EUIPO and
- are still within the 6 month late renewal period

Such trade marks will be registered in the UK showing the status 'Expired' and will depend on the late renewal of the EU Trade Mark. If the EU Trade Mark is renewed, the UK clone will be deemed as renewed as well, with no additional national UK renewal fees owed. If the EU trade mark is not renewed, the UK clone will be removed from the register.

Licenses and security interests

A license or security interest recorded against an EUTM will continue to have legal effect in the UK.

Such license or security interest may authorise actions in the UK (eg use by the licensor) which would otherwise infringe the EUTM. Any license or security interest that refers to an EUTM and authorises acts in the UK will be treated as if it applies to the comparable UK trade mark.

Any license or security interest recorded for an EUTM will not automatically be recorded for the comparable UK right. Currently UK law provides certain protections (to those with an interest in the mark and those seeking full relief for infringement) for registered transactions that do not apply to unregistered transactions if the transaction is recorded within 6 months. This period will be extended



to 12 months for the recordal of a license or security interest (that is already registered on the EUTM register) that relates to a comparable UK trade mark.

Assignments

Where an EUTM has been assigned but the assignment has not been recorded in the EUTM register before 1 January 2021, the comparable trade mark will be granted to the assignor. The assignor or the assignee will have the right to apply for the registration of the comparable trade mark in the name of the assignee.

Agreements

It will be important that any licensees are notified of the new UK comparable right and that any agreements are checked to ensure that the creation of the new right is not in breach of the agreement. The licensor may not be free to opt out of the creation of the equivalent UK right without breaching the agreement.

Equally it is advisable to check all agreements with third parties to amend provisions if appropriate or for the purpose of clarification. In particular, the agreement should be checked for interpretation of EU or EU trade mark. Choices of law and jurisdiction may also need to be reviewed.

Pending Cancellations of EU Trade Marks

If an EU Trade Mark is subject to a pending cancellation proceeding, it will still be cloned into a UK Trade Mark on 1 January 2021. However, the UKIPO will respect the decision that will be rendered in the EU proceeding and will cancel the cloned UK Trade Mark if the EU Trade Mark is cancelled. However, the cancellation will only have effect with regard to the UK cloned right if the grounds for the cancellation of the EUTM are applicable in the UK.

As a consequence, if you have challenged someone else's EU Trade Mark, there is no need to file a separate cancellation action for the new UK right.

Pending UK Oppositions or Cancellations based on EUTM rights

These cases will continue to be heard as if the UK were still an EU member state. These proceedings will continue towards resolution on the basis of the law as it stood before 1 January 2021.

In that instance, if you are an unsuccessful UK right holder and the successful opposition or cancellation was based on a pending EU application which is not ultimately refiled in the UK by 30 September 2021, there could be an opportunity to file a new successful UK application thereafter.



Use and Reputation

A cloned UK trade mark registration will not be liable to revocation for non-use on the ground that the corresponding EUTM had not been put to genuine use in the UK before 1 January 2021.

Effectively, this means that any use of the mark that would have been deemed valid use of the EUTM before 1 January 2021 will also be deemed valid use of the UK cloned right, even if that use was not in the UK.

Use of the relevant trade mark in the EU after 1 January 2021 will not be taken into account for the UK cloned trade mark and vice versa.

Reputation of the EUTM that was acquired before 1 January 2021, even if not in the UK, will be taken into consideration in regard to the cloned UK Trade Mark.

Exhaustion of Rights

Rights that exhausted in the EU before the end of the transition period will be deemed exhausted in the UK.

Goods placed on the UK market by, or with the consent of, the right holder after 1 January 2021 will no longer be considered exhausted in the EEA.

Jurisdictional arrangements, pending proceedings and existing injunctions

As at 1 January 2021, ongoing cases in the UK courts currently acting as EU courts will continue to be heard as if the UK were still an EU member state. Actions and remedies taken or granted by the court will be applicable to the comparable UK right only. Any EU-wide injunctions will not apply to the comparable UK right.

Where an injunction in place at 1 January 2021 prohibits actions in the UK which would infringe an existing EUTM, the terms of that injunction will be treated as if they also apply to the comparable UK trade mark.



Customs applications for action (AFAs)

Existing EU AFAs granted by UK customs authorities will continue to have effect in the UK up until their natural expiry date in 2021. A new UK AFA then needs to be filed before the original AFA's expiry date. The new UK AFA can include any existing UK registrations and new mirrored registrations.

EU AFAs granted by another EU Member State will continue to have effect outside of the UK. A new UK AFA will need to be applied for via Her Majesty's Revenue and Customs (HMRC) by 31 December 2020. Rights holders owning existing UK registrations are advised to apply for a UK AFA by the end of November 2020 to ensure continuity of protection in the UK. If a rights holder will only acquire UK protection upon receipt of a new UK mirrored registration, then they will have to wait until after 31 December 2020 to apply to HMRC.

The new UK AFA forms will follow the existing EU AFA form. No official filing fees are payable to HMRC.

Stobbs is Brexit-ready and shall continue to assist in customs recordals at both a UK and EU level.

EU-specific Domains

UK organisations and UK residents and citizens will no longer be eligible to hold .EU domain names as of **1 January 2021**. Aside from .EU, extensions corresponding to the following territories will also be affected: Bulgaria (.BG), France (.FR), Croatia (.HR), Italy (.IT).

1) Registration of new .EU, .BG, .FR, .HR, .IT prior to 1 January 2021

These domain names will require the Registrant to be located in the European Union. This means that organisations that have domains registered to their United Kingdom address and/or individuals who reside in the United Kingdom, will no longer be eligible to register .EU, .BG, .FR, .HR, .IT domain names and will need to use a local proxy service within a European Member State.

2) Maintenance of existing domain names under the .EU, .BG, .FR, .HR, .IT extensions

Any domain names corresponding to these extensions, which are currently registered in the name of an organisation established in the United Kingdom, or a non-EU entity, will not be renewed, unless they are assigned to a local proxy service within a European Member State.

3) Options available to maintain compliance

- a. **Local Proxy Service** – offered by a service provider **within a European Member State**
- b. **Related European company or subsidiary** – transfer ownership of affected domain names to a related European company or subsidiary (if available).

Note: .EU, .BG, .FR, .HR, .IT are the only domain name extensions affected. Those corresponding to **other countries in the European Union will not require a local proxy**, and no update will be required.

Any affected domains which are not assigned to a local proxy service, or a European company may be **deleted** by the respective Registries as from 1 January 2021.



Please get in touch if you wish to discuss any of the above or require further advice or information relating to the issues raised.

