

BREXIT IMPLICATIONS FOR IP OWNERS IN EUROPE

On Thursday, June 23, 2016 more than 30 million people voted on the Brexit referendum to leave the European Union (EU). This was the highest turnout in a UK-wide vote since the 1992 general election, making it a historic decision that comes with many questions and concerns, including for intellectual property rights holders in Europe. Today, intellectual property rights have not changed as a result of Brexit. The IP laws in the EU remain the same. However, in the next two or more years, IP laws in the EU are subject to change as the UK proceeds to formally exit from the EU. What does this mean for IP owners in the UK?

Copyright and Patents

For UK copyright and patent owners, no immediate or foreseeable changes to the copyright and patent systems are likely to take place anytime soon. UK copyright is dealt with as a national right in each EU Member State, thus, making it largely a national affair. It is likely that the UK will be required to follow treaties such as the Berne Convention and the WIPO Copyright Treaty, which it signed previously and would likely sign those implemented by the EU.

Similarly, UK patents are governed by the European Patent Office (EPO) created by a free-standing international treaty and is separate from the EU. Therefore, UK patent registrants will be unaffected by Brexit while the UK remains signatory to the EPO. However, a possible issue to consider is Brexit's impact on the Unitary Patent and Unified Patent Court (UPC), in which the UK has played a key role in its development and implementation. Most importantly, the UK is one of three nations which must ratify the final UPC Agreement and it is unclear whether Italy, the next largest state for patent grant, will replace UK as a ratifying party. The other concern regarding the UPC is that one of the three Central Division Courts was to be based in London but appears unlikely to occur as a result of Brexit.

Trademarks

The implications for the UK and the EU trademark laws are uncertain but likely to be significant over time. We address two important questions that help explain the potential issues with trademark laws and what we recommend you consider as a result of Brexit.

1. *What are the implications of Brexit for Trademarks Registered in the European Union (EUTMs formerly known as CTMs or Community Trademarks)?*

Brexit itself does not immediately affect EUTM registrants because the UK remains a member of the EU until it formalizes its exit from the EU, which is likely to take at least two years. The laws and regulations governing EUTMs do not have provisions that discuss what the consequences are to EUTM registrants when a country in the EU decides to leave the EU. As a result, it is uncertain what the implications of Brexit are for EUTM registrants. However, there are three possibilities worth considering. First, it is possible that the UK could recognize all EUTMs. Second, the UK could require registrants to apply to extend EUTMs to the UK. Third, and unlikely, current EUTMs will no longer be valid in the UK, which will likely require EUTM owners to file new applications in the UK for their trademarks and designs.

2. What specific recommendations can we make now?

Consider the possibility that EUTM owners might need to re-register their marks in the UK as a result of Brexit, however, not immediately. Remember that until the UK's terms of its EU exit are determined, the protection in the UK under all EU intellectual property rights will remain in place for the next two or more years. Thus, no immediate action is required.

European and UK counsel are recommending that EUTM owners continue to file EUTMs as before. However, some UK and EU attorneys are now recommending filing UK national applications in addition to EU applications for new marks- at least in cases where a mark is used only in the UK in order to avoid future non-use issues.

For now, it is important to follow developments in the UK and EU and take the steps necessary when needed, but it is also advisable to consult with trademark counsel to discuss whether any additional steps and precautions may be recommended for your portfolios based upon the details of where your marks are in use and which European markets are most important for your business.

Dana Brody-Brown - Trademark Law

Dana's focus is in the areas of trademark counseling and prosecution, including trademark audits, portfolio analysis and strategic counseling, selection and searching of trademarks, domestic and worldwide registration and enforcement, domain name issues, and licensing.

Dana handles trademark disputes, including domain name issues and opposition and cancellation proceedings before the Trademark Trial and Appeal Board of the United States Patent & Trademark Office. She has counseled a wide array of clients ranging from start-ups to well-known and established companies in varied industries including consumer electronics, semiconductors, software, banking, fashion, music and entertainment. She also has experience and a particular interest in the areas of advertising and marketing law and counsels clients regarding trademark and consumer issues raised by advertising and marketing and how those issues can be addressed.

Contact Dana at 408.947.2433 or dana.brody-brown@hogequenton.com

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Primary Contact

- Dana Brody-Brown