

# Will Brexit be all change for Trade Marks?

In the immediate aftermath of the vote for Britain to leave the EU there was much written by some in mainland Europe about British firms being unable to register European Union Trade Marks (EUTM) once Brexit had taken place. We look here at what will happen and what the options are for brand owners.

There are two types of trade marks in the UK:

- Under the EU trade mark system (Regulation 207/2009 as amended), the EUIPO governs registered trade marks for the EU (an 'EUTM'). An EUTM may be enforced or challenged for the whole of the EU in a single court action, and presently UK courts have that power. (An EUTM may alternatively be sought by designating an EUTM in an international registration under the Madrid system.)
- Under the national trade mark system, the UKIPO controls registrations for UK only trade marks. Registration, and questions of infringement and validity, are governed by the UK Trade Marks Act 1994 and associated legislation (as amended), which have been framed so as to comply with harmonising EU-wide legislation, in particular Directive 2008/95. (A UK-registered trade mark may alternatively be sought by designating the UK in an international registration under the Madrid system.)

## EU Trade Marks what will BREXIT mean?

The effect of Brexit on brand owners comes after several recent changes to the European Union Trade Mark (EUTM) registration system. In recent years brand owners have seen the enlargement of the EU, the scope of EUTMs narrowed and a challenge

to the long held assumption that use in one EU member state would maintain validity of a registration. Now brand owners need to deal with the repercussions of Brexit on their trade mark portfolios and protection strategies.

It is important to stress that there is no urgency for immediate action by brand owners. EUTMs (both those in existence and those filed up until the date of the UK's exit) will continue to provide protection across all EU member states. On exit, EUTMs may cease to have effect in the UK but it is not anticipated that this will result in the loss of trade mark rights for brand owners. First the 'Great Repeal Act' intends to carry over EU law into the UK, so the starting point is that the EU law that allows for EUTMs will still exist in the UK. However, we doubt the UK Government has actually thought out how that works in practice because it leaves the UK tied to the Courts of Justice of the European Union and the freedom of this court to make rulings that impact the UK. So more likely the UK will convert EUTMs in to a national TM, and we shall see a system more akin to the European Patent bundles that presently exist.

At this stage there does not look to be compelling reasons for brand owners to duplicate the protection offered by their EU registrations by obtaining separate national UK registrations.

In our view such nationally acquired rights are only likely to be

advantageous if, once the UK has left the EU, there is no mechanism in place to allow for continuation of EUTMs. In such a scenario there would be a scramble to file new UK applications as soon as possible to prevent there being a lacuna in protection and to avoid potential difficulties with third party bad faith filings. Such a state of affairs appears inconceivable and something the UK Government will strive to avoid. Instead transitional arrangements will likely be put in place to ensure that any existing protection is not lost insofar as the UK is concerned.

There has however been some increase in UK filings and if the UK is an especially important market then you may want to consider such a step.

## What transitional options are there?

We know the first position is that existing EU legislation is to be adopted as national law in the UK in 2019, and that EUTMs will theoretically continue to cover the UK. However, once considered properly it is more likely that the UK will adopt one of the following options: Automatic recognition of EUTM's by the UK, re-registration of EUTMs on the UK register (either automatically or on request by brand owners) or converting existing EUTMs into new national applications that will undergo full examination by the UKIPO.

Areas we are watching for include whether existing EUTMs will be re-examined by the UKIPO, and if so if it may be prudent to seek separate UK protection for variants of marks that are borderline in terms of inherent distinctiveness. If there is doubt as to whether an existing EUTM might qualify for registration in the UK under current standards, it would be wise to file a UK application for a more distinctive version of the mark,



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for example, one containing a logo element. Doing so sooner rather than later will provide a greater degree of certainty and ensure there is some continuity of protection in the UK whilst existing EUTMs are re-examined. Developments will be monitored and if this is an area of concern please let us know so we can help keep you informed.

Brand owners will also need to review the geographical use of their existing EUTM's that are over five years old and consider whether additional protection in the UK and/or other EU countries is needed. It is hoped that some provision will be made in UK and EU legislation to deal with the potential vulnerability of both the EU marks remaining and the new UK right created after Brexit. However, absent such provision, UK marks originating from existing EUTMs which are over five years old and which have not been used in the UK would immediately be vulnerable to challenge on the grounds of non-use. Equally, an EUTM that has only been used in the UK would be vulnerable to a non-use challenge post-Brexit as could be an EUTM that has only been used in two EU countries one of which is the UK (generally speaking it is unwise to rely on use in only one EU country to maintain the validity of an EUTM). These non-use issues have repercussions for infringement claims and oppositions.

There are steps that brand owners should be taking at this stage in relation to seniority claims and existing contractual arrangements with third parties. Where seniority is concerned, it is hoped that brand owners will be able to reinstate the original UK rights from which seniority was claimed. However, going forward, existing UK registrations that form the basis of seniority claims should not be allowed to lapse.

**Is there anything that  
must be checked right  
now?**

Yes - contracts and licences, undertakings and co-existence agreements. Any of these may have been expressed to cover the EU, and they should be reviewed and amended/re-negotiated if necessary to ensure that all parties to the agreements are clear about their geographical scope. The validity of EU wide injunctions and court orders may also need to be re-evaluated.

**The future**

There is now a 2 year window where brand owners should review their existing European and UK trade mark portfolios in the context of their commercial plans going forward. They should ensure that any existing EU registrations are up to date in terms of ownership to ensure a smooth transition under whatever transitional mechanism is eventually put in place. Existing contracts

should be revisited and reviewed as necessary and consideration should be given as to whether additional protection in EU countries other than the UK might eventually be needed.

The EUIPO (and the UKIPO) have applied varying standards of registrability over the years, and now is the perfect time to consider what we want the future UKIPO to concentrate on. If you wish to engage with Government on the future of trade marks then do contact us to see how we can help.

Is BREXIT an opportunity for trade mark owners? These attempted registrations suggest so -

**ENGLISH BREXIT TEA**  
for tea

**BREXIT and BREXITEER**  
for beer/alcoholic beverages

**BREXIT - THE MUSICAL**  
for theatre entertainment

**BREXIT LAW**  
(filed but withdrawn)

**BREXIT BLUE**  
for cheese

**BREXIT BOX**  
filed by a law firm

**BREXIT BREAD**  
for bakery goods

**NON BREXIT BREAD**  
for bakery goods filed by the Polish Village Bread Ltd



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