



What does Brexit mean for the rights of EU trade mark owners?

by **Manisha Bugwandeem-Doorasamy** and **Ferosa-Fae Hassan**

With the UK set to leave the EU on 30 March 2019, many trade mark owners will be wondering what this will mean for their trade mark registrations in the region. Currently, a single EU trade mark registration covers all 28 member states, namely: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK.

A draft agreement has been published which, to a degree, addresses the uncertainty trade mark owners face regarding the impact of Brexit on their trade mark rights. While this agreement is still required to be ratified by both parliaments of the EU and UK, it provides us with a guideline on the likely position to be adopted post-Brexit.

A transitional period will commence from the UK's date of departure until 31 December 2020. During this time, the current framework governing trade mark rights will substantively remain the same in both regions, as if the UK had not left the EU. The draft agreement suggests how EU trade marks will be protected and enforced at the end of the transitional period:

- The agreement provides for the creation of a UK right which corresponds to an EU trade mark that was registered before the end of the transitional period. This would essentially mean that EU registrations as at 31 December 2020 will automatically be "cloned" into identical rights in the UK. These UK rights will have the same filing, priority and first renewal dates as its corresponding EU registration.
- Trade marks that are pending registration at the end of the transitional period will be protected in the remaining 27 EU member countries only. However, the trade mark applicant will be entitled to file a corresponding application in the UK within nine months of the end of the transitional period (by 30 September 2021), which will be deemed to have the same filing date as the EU application.
- If a EU trade mark is revoked or declared invalid as a result of proceedings ongoing at the end of the transitional period, the corresponding UK right will also be revoked or declared invalid unless the grounds of revocation or invalidity do not apply to the UK.
- The corresponding UK right will not be liable to revocation on the basis of non-use on the ground that the parent EU registration had not been in use in the UK before the end of the transitional period. UK trade marks will therefore be given an additional period of time to be used in the UK before the mark can be revoked on the basis of non-use. This additional period of time is yet to be decided.
- A UK trade mark will be able to claim a reputation acquired through use of the corresponding EU trade mark in the remaining 27 EU member countries, if that use occurred before the end of the transitional period. At the end of the transitional period, reputation of the corresponding UK trade mark will have to be established through use of the trade mark in the UK alone.
- The agreement states that the UK will take measures to ensure that international trade mark registrations that are protected in the EU before the end of the transitional period also enjoy protection in the UK. The specific mechanics around this are still being negotiated.

While the above positions have been agreed to in principle, discussions regarding charges and administrative procedures associated with the creation of the corresponding UK right are ongoing. So, what does this mean for the potential and existing trade mark owners in the EU?

In principle, it appears that provision will be made for the protection of existing EU trade marks in the UK post-Brexit. However, due to much uncertainty and the fact that the agreement is subject to amendment, trade mark owners and potential applicants may wish to be file trade mark applications in the UK (separately from the EU) if it is a core market of interest. Alternatively, clients may wish to file for their trade marks in the EU only at this stage since it is more than likely that such applications will proceed to registration before the end of the transitional period. However, the approach taken will have to be evaluated on a case-by-case basis, dependent on business strategy, budget and level of prudence. It is vital for trade mark owners who conduct business in the EU to re-evaluate their present and future activities in the UK.

Ferosa-Fae Hassan is a candidate attorney in ENSafrica's IP department.



Manisha Bugwandeem-Doorasamy

IP | director

cell: +27 82 310 1016



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info@ENSafrica.com
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