



Myriad issues, but closer than ever

A trio of lawyers talking Brexit revealed valuable insights into work being done behind the scenes with the IPO and, surprisingly, how the vote has pulled the IP community together



Sarah Wright, head of trademarks at Olswang



Kate O'Rourke, ITMA president and senior counsel at Charles Russell Speechlys



Annsley Merelle Ward, IP litigator at Bristows

On 13 October, *IPM* rounded up three esteemed IP lawyers to tackle the biggest issue in their world right now: Brexit. What transpired was an illuminating mix of hard-nosed practical points and ruminations on how, professionally and personally, the EU-vote fallout was affecting IP in the UK.

Kate O'Rourke, Institute of Trade Mark Attorneys (ITMA) president and senior counsel at Charles Russell Speechlys, Sarah Wright, head of trademarks at Olswang and IP litigator at Bristows' Annsley Merelle Ward joined *IPM's* editor Maura O'Malley for a webinar on whether the UK could 'remain an innovation hub post Brexit'.

The resounding answer was yes! While the panel didn't shrink from addressing the difficult questions around issues like the Unified Patent Court (UPC), supplementary protection certificates (SPCs,) and unregistered design rights, the lively and engaging discussion also explored the opportunities Brexit could bring. Here is a summary of what they said...

Unified Patent Court and unitary patent

It's unclear, politically, how the UPC and unitary patent (UP) can continue in its current format. Olswang's Wright stressed that she was a trademark lawyer, but gauging the opinion of her patent colleagues as, "pretty unlikely

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that Britain will join the UPC anytime soon... My understanding is that there are provisions within a number of recitals where it talks about complying with EU law. It will be very difficult politically for the UK to join in the current circumstances.”

Ward agreed, "On 2 October Theresa May gave her speech at the Conservative Party conference and she basically said they wanted to be free from the Court of Justice of the European Union (CJEU). Although the UPC

Agreement is an international treaty, there are provisions within articles that in matters of EU law, not only do they have primacy, the CJEU has a role as well.

"It will be politically unpalatable to be ratifying agreements like this when large portions of the UK public don't want anything to do with the EU. It doesn't seem politically realistic right now."

But Ward said there were still opportunities. "Just because of the referendum, I don't think the concept of the UPC will die, it will come back again. Why not make it better, make it more inclusive of all EPC contracting member states, which was the original intention? Then we don't have to deal with the political question about the role of the Court of Justice."

Convinced that the UK will remain a prominent force in European patent litigation, Ward highlighted the UK Patents Court within the Chancery Division, which, by ensuring trials are quicker and more flexible, is "innovative and competitive" to ensure it attracts litigation.

Trademarks

ITMA, working closely with the UK IPO, has come up with seven different options for trademarks post-Brexit. Were there any frontrunners?

Yes, according to the association's president, O'Rourke, "In any set of options that we have been discussing and presenting

to the IPO, we always include our EU plus option, which is the proposal that the EU trademarks and designs remain, but countries outside the EU should be allowed to opt in to also be part of the system."

"We could have the EU countries plus the UK, Norway might join, Switzerland might join, so we have a European trademark system. Because as far as we are concerned the EU system has worked fabulously over the last 20-odd years. But of course there are obviously political problems relating to jurisprudence of the EU courts, which we can't seem to work around!"

She added, "But if we can't have that, minimising the effort to ensure that the current registered rights are ported over to the UK is our priority. The option where everything on the EU trademarks register is transferred over to the UK register is also very attractive, the so-called Montenegro model. And there has been a lot of support for that proposal."

But just how feasible is this option? O'Rourke thinks it's technically possible because currently all those EU trademarks are on the UK register, but there are a number of details that need to be worked out (see box).

O'Rourke revealed that all ITMA's proposals need to be presented to the minister at the beginning of next year. The government will hold consultations and form impact assessments before narrowing down the most viable options, with people given the opportunity to formally feed into the IPO's proposals.

She added, "Interestingly, while we hope that our EU plus is one of the options presented by the IPO to the government, they also have an option to do nothing! Which makes every business person I speak to go apoplectic, because it would mean you would lose all your registered rights overnight. So we are hoping that even though that has to be an option, it won't be taken seriously, certainly not in relation to IP rights post exit."

Unregistered design rights

Particularly vexing for Wright is the loss of the Community unregistered design right upon Brexit. It applies automatically for three years when a new product is put on the market and first offered for sale in the EU and is particularly relied on by the luxury products and fashion space.

UK businesses could choose to launch their products or collections in Europe in order to get the benefit of the Community unregistered design right, which they would not get if they launched their product in the UK. It might make designers think twice about launching their collections at London Fashion week and instead consider Paris or Milan.

Barriers to introducing the Montenegro model

- **Intention to use:** There is a requirement to have an intention to use a trademark in the UK, there is no equivalent requirement with an EU trademark. Do we insist that everyone has to file a declaration for intent to use post Brexit? That would be a serious burden on all those trademark owners. It would also create a lot of work at the UK IPO. If we don't do that, should there be a declaration of intent to use in the event of a challenge to registration or on renewal, O'Rourke explained.
- **Non-use periods:** What happens with an EU trademark that has been used consistently in the UK for a number of years, and has been sufficient to ensure that the EU registration is valid? Does that registration become automatically unenforceable if the UK exits? Or should there be another term of five years, or should there be some middle ground? Again if the mark has been used in the other 27 member states but not in the UK, does it become unenforceable in the UK? O'Rourke said, "Every issue we look at has a lot of sub issues and what we are currently doing is working up documents on those sub issues in conjunction with other organisations like the IPLA and the IPO".
- **Seniority claims:** EU trademarks have the ability to claim seniority. Businesses have been doing that for many years, and then abandoning their original registrations. We don't have seniority claims in the UK. Should we introduce a system? If not do we have registrations in the UK that need to be revived because they were abandoned when seniority claims were made on corresponding EU registrations? Again the more you look at it the more detail you need to go into.
- **Pending applications:** Should we have a six-month moratorium once we know the date that the UK will exit the EU? Should we say don't file EU applications anymore? Should we say if you want UK rights, you need to file in the UK? Should we be suggesting that any application that is not registered at the date of exit needs to become a new pending application in the UK?
- **On-going conflicts:** Some disputes can take years to resolve, there will have to be transitional arrangements to deal with those disputes. Should people have to decide whether they have to follow proceedings in the UK as well as the EU courts?

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Assuming that the Great Repeal Bill will happen on Brexit, if there was an equivalent UK right that has the same scope as the community unregistered design right...that would be great for UK businesses. But it's only going to give them protection in the UK – you also have to think how will that be enforced elsewhere, she said.

She is calling for a mutual recognition treaty between certain countries with a strong fashion industry, like Italy and France, that recognises the participating countries' rights.

O'Rourke added that a paper is being developed on the issue of unregistered design rights, that may include a plan to pass new legislation for those rights not currently protected under the unregistered UK design right.

O'Rourke added, "But there are so many other areas where we should, and could be, lobbying government for better rights for clients and for UK business. And not forgetting at the same time that whatever we do, we ensure there are reciprocal rights for our colleagues who will continue to remain our colleagues in Continental Europe."



Registered design rights

O'Rourke said she was working through the pros and cons of the six options that have been proposed. ITMA has made more progress with trademarks but, it is working closely with the Intellectual Property Lawyers' Association (IPLA) IPLA and the Chartered Institute of Patent Attorneys (CIPA).

"We are going to produce a much longer document that will go into the detail as to when some of these proposals could be achieved and how much [they] will cost, both in resources and actual costs to business. It's slightly different for designs because you have novelty considerations that are not relevant to trademarks," O'Rourke said.

Copyright

Ward noted all the hard work done to try to harmonise copyright law throughout the EU over the past number of years. Harking back to the inception of copyright law, she noted the huge differences between the French conception of the 'rights of the author and the artistic creative being', and the more Anglo-American economic approach.

These are laws that come from very different philosophical underpinnings, she said. But the decisions of the Court of Justice of the European Union have been an attempt to merge them together.

"That has only been a good thing for certainty and for industry... [post-Brexit], people are going to feel a little uncertain as to what the future holds for this type of work," she warned.

Wright noted that if the UK is no longer

"If the UK is no longer required to follow EU law, there is an opportunity to amend some of copyright provisions that have challenged UK judges."

required to follow EU law, there is an opportunity to amend some of the copyright provisions that have challenged UK judges. Freed from EU law, stakeholders like the IPLA have been considering how the UK could mark itself out as a leader within the space and differentiate itself from its Continental cousins.

There have been discussions around clarifying 'communication to the public right' and, more controversially, the introduction of a US-style fair use exception.

Common goals

O'Rourke said that the Brexit vote has brought representative bodies closer with the basic common goal that IP rights are protected.

She added, "There has been a pooling of resources. No one is trying to score points,

Rights of representation at EUIPO

Kate O'Rourke pointed out that if the UK did not remain part of the European Economic Area (EEA) on Brexit, it was "very clear" that UK practitioners would lose right of representation in front of the European Union Intellectual Property Office (EUIPO).

ITMA, along with other stakeholders, is doing a lot of work behind the scenes on regulations that could be amended so current practitioners could be 'grandfathered' onto the EUIPO list of representatives.

"Its only part of the answer because it might be fine for current practitioners, but what about our future trainees and students? What we would like to see is some sort of reciprocal arrangement, whereby if UK practitioners continue to be entitled to practise in front of the EUIPO, then EU practitioners can continue to be entitled to practise in front of the UKIPO. And if we lose our rights then frankly the EU practitioners should lose their rights here as well," said O'Rourke.

The ITMA president added that one of the other areas she was exploring is whether it would be easy for UK practitioners to easily qualify in another EU country, thereby retaining their right of representation, eg Ireland, Cyprus and Malta.

"Cyprus and Malta are not going to work. We have looked at those and it's just too difficult. With Ireland, we have had a lot of dialogue with the Irish patent and trademark associations and the UK IPO on whether it's a viable option and there are various problems, but we are continuing to have that dialogue – it's not straightforward. "

everyone is just trying to come together to make sure we have proposals that we and the IPO can support, so we can hopefully create a new system that will be as good as possible after we leave the EU."

Wright echoed the sentiment, stating that the profession is trying to make sure that IP rights are "up the priority list" in governmental discussions.

"The government has a lot of issues it is trying to grapple with but it's incumbent on all of us that IP gets the protection it deserves," she commented.

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