



## FACT SHEET: BREXIT - INTELLECTUAL PROPERTY

This fact sheet covers the legal effect of Brexit for holders of EU-wide intellectual property rights, and the 'exhaustion' of those rights in the EEA. In particular, it discusses EU trade marks (EUTMs), Registered Community Designs (RCDs) and Unregistered Community Designs (UCDs).

### SUMMARY OF EU-WIDE IP RIGHTS & BREXIT

Existing EU-wide IP rights will no longer cover the UK after Brexit. They will only provide protection in the remaining 27 EU member states. Regardless of whether a deal is agreed or not, the UK will continue to protect EU registered trade marks and community designs in the UK. The UK will automatically create equivalent rights in the UK free of charge. These independent UK rights will be effective from Brexit day.

Currently, where a product is sold in the EEA, the trade mark or other IP rights in that product are considered to be 'exhausted'. This means that a product can be re-sold anywhere else in the EEU (including the UK) without infringing the IP rights in that product. After Brexit, placing goods on the UK market will no longer 'exhaust' the product's IP rights in the EEA. To sell those goods in the EEA, the IP right holder's consent will be required, which may cause delays.

### EU TRADE MARKS & DESIGNS

#### What will happen to my existing EU registrations?

Registered and unregistered community designs designating the EU will no longer be valid in the UK following Brexit. Likewise, the UK will no longer be part of the EU Trade Mark (EUTM) system.

However, the UK will automatically create UK registrations to ensure that the protection in the UK is unaffected. This process will be free of charge. The automatic registration will extend to existing RCDs and EUTMs, and those which have expired up to 6 months prior to Brexit day. Owners of these registrations may opt out of the automatic registration process if they wish. The new UK trade mark and design registrations will have the same filing, priority and renewal dates as the corresponding EU registrations.

The UK registrations will be fully independent UK rights, and may be challenged, assigned and licensed separately from their corresponding EU registration.

They will also be subject to their own renewal fees. Unregistered Community Designs will be protected as UK Continuing Unregistered Designs. The protection will last for the remainder of the 3 year protection term.

#### What about my applications which are pending on Brexit?

In relation to pending applications at the date of Brexit, each application should be refiled with the UK Intellectual Property Office within 9 months of Brexit Day. This will ensure that the original filing date of the EU application applies to the UK application. The normal application fee will be payable. If the application to refile in the UK is made after the 9 month period, it will be treated as a new application, and the earlier priority date will be lost.

### EXHAUSTION OF IP RIGHTS

Currently, if a product is sold anywhere in the EEA, the trade mark or other IP rights in that product are deemed to be 'exhausted'. As a result, that product can be resold or distributed anywhere else within the EEA (including the UK) without infringing national IP rights.

In a no-deal Brexit scenario, the EU will stop recognising the 'exhaustion' of rights in respect of the UK market. Where goods are placed initially on the UK market, the associated IP rights will **not** be 'exhausted' in the EEA. Any subsequent sales of the same product could therefore infringe IP rights in the country of import or sale. Therefore in order re-sell goods in the EEA, you may need to obtain consent from the IP right owner. This may cause delays in trade. If you think this will be an issue, you could try to obtain consent before Brexit. The UK will continue to recognise EEA 'exhaustion' for a 'temporary period'. During this time, goods imported into the UK from EU will not give rise to IP infringement.

### FURTHER INFORMATION

For further information on the issues, please see the following government guidance:

- Guidance on [Trade marks](#)
- Guidance on [Designs](#)
- Guidance on [Exhaustion of IP Rights](#)

This factsheet is intended to provide a general summary of the law in this area rather than comprehensive guidance or legal advice. Legal advice should be sought in relation to specific circumstances. The law and practice in this note is stated as at October 2019.

© Penningtons Manches Cooper LLP, 2019