



The Law  
Society



## Introduction

This paper forms part of a series published by the Law Society. The aim of this paper is to highlight the changes in relation to intellectual property (IP) that will occur should the UK leave the EU on 29 March 2019 without having concluded an agreement with the EU beforehand.

In such a scenario, the EU and UK will have failed to sign both a Withdrawal Agreement (governing the terms of the UK's departure from the EU) and an agreement governing the future relationship between the two parties.

This paper underlines the steps solicitors should consider taking to prepare for such an eventuality.

This note is intended as a general guide only and does not proffer legal advice nor replace legal advice or a consultation on an individual basis with the relevant regulators and/or experts. We cannot accept any liability resulting from any action taken (or lack thereof) on the basis of the information contained in this note.

## Points for solicitors to consider under a no deal Brexit

In the event of a no deal Brexit, solicitors should be aware of the following points:

- EU rules regarding the recognition and enforcement of judgments cross-border will cease to apply in the UK. The rules governing the enforceability of a judgment that has not been enforced by 29 March 2019 will cease to have effect.
- The UK Government's notice states that "provision will be made" regarding litigation pending before the UK courts where the claim is based on an EU trademark or RCD. In more general terms, the Law Society has published guidance for solicitors on the recognition and enforcement of civil and commercial judgments [here](#).
- UK lawyers will lose their rights of representation before EU courts and bodies, including the EUIPO in Alicante and the Court of Justice of the European Union. Solicitors can take measures to lessen the impact of a no deal Brexit on their practice

by following the steps set out in the [Law Society's Brexit no deal notice on providing legal services in the EU](#).

- EU trademarks and Community design rights will no longer have effect in the United Kingdom. The Government has stated that it will provide registered EU trademark and design rights holders with an equivalent UK right upon exit so that there is continued protection in the UK. The situation is less clear with regard to unregistered Community design rights, and solicitors should consider whether clients should simultaneously disclose designs in the EU and UK to try to obtain maximum protection.
- Solicitors advising UK-based broadcasters should be aware that, under a no deal Brexit, their clients may have to have broadcasting rights approved in all member states where the signal reaches.
- Solicitors should be aware that parallel imports from the UK to the EU/EEA could, in the future, be blocked by holders of national IP rights or EU trade marks (EUTMs).
- It is not clear whether the UK could participate in the Unified Patent Court (UPC) under a no deal Brexit, nor is it clear whether solicitors will have the right to represent clients in these circumstances. The opening of the UPC has been delayed pending a judgment of the German Constitutional Court (Bundesverfassungsgericht, BVerfG).
- UK owners of UK database rights may find that their rights are unenforceable in EU/EEA states.
- EU registrars will be entitled to revoke .eu domain names owned by UK companies or individuals on their own initiative and it will not be possible to renew those domain names.
- It will no longer be possible to submit an application to the UK customs authorities to request that EU member states take action with respect to goods suspected of infringing an IP right.

## Current system

The law governing IP is, to a large extent, harmonised across the EU. Much of the legislation that applies to this area of law in the UK stems directly from legislative acts passed at EU level. IP rights granted within the EU form part of a pan-European rights system, which is underpinned by the shared jurisdiction of the Court of Justice of the European Union.

The effect of the EU Withdrawal Act will be to convert the existing body of currently directly applicable EU law into domestic UK law known as 'EU retained law'. However, the reciprocal element of the cross-border enforcement of IP rights between the UK and EU27 states will come to an end should the UK leave the EU without a deal. The Government has published several pieces of secondary legislation, to be considered by Parliament, which set out changes to the relevant EU retained law on IP including reviewing the reciprocal elements of many areas of EU IP law (to be found at the end of the paper).

## No deal scenario

### 1. Ongoing cases & recognition of foreign judgments

Should the UK leave the EU without first concluding a deal, EU rules regarding the recognition and enforcement of judgments cross-border will cease to apply in the UK. Instead, national rules will apply to this area of law, as all reciprocal areas of the law will cease to have effect.

The status of ongoing cases is unclear and the rules governing the enforceability of any case decided after 29 March 2019 will cease to have effect.

The UK Government's notice<sup>1</sup> states that "provision will be made" regarding litigation pending before the UK courts where the claim is based on an EUTM or RCD (Registered Community Design). It seems likely that the UK comparable right could still be the subject of a UK court's order but only for a UK-wide injunction, as EU rules would no longer apply to the recognition and enforcement of that injunction in EU27 states. Injunctions and damages covering the EU27 are unlikely to be granted by a UK court post-Brexit even if the litigation

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<sup>1</sup> <https://www.gov.uk/government/publications/trade-marks-and-designs-if-theres-no-brexit-deal>

has started pre-Brexit, although this remains a matter for courts in the UK. It is not clear whether a whether a UK appeal court can uphold post-Brexit a pan-EU injunction granted pre-Brexit by a UK first instance court nor is it clear whether such an injunction would be enforceable in the EU27.

As the Brussels I Regulation will no longer apply between the UK and EU27, it is likely that England and Wales will fall back on pre-existing common law rules for the recognition and enforcement of foreign judgments.

Solicitors can access more information on the cross-border recognition and enforcement of judgments post-Brexit in the [Law Society's guidance on no deal – civil judicial co-operation](#).

## **2. Practice rights for IP lawyers**

Given the harmonised nature of IP laws, IP lawyers generally work for and represent clients across borders. In a separate paper<sup>2</sup>, the Law Society has outlined the impact that a no deal Brexit will have on lawyers currently practising law across the EU. In particular, the impact of losing the rights set out in the Lawyers Establishment Directive, Lawyers Services Directive and Mutual Recognition of Professional Qualifications Directive is assessed.

In a no deal Brexit, UK lawyers will also lose their rights of representation before EU courts and bodies, including the EUIPO in Alicante as well as the Court of Justice of the European Union. Solicitors can take measures to lessen the impact of a no deal Brexit on their practice by following the steps set out in [the Law Society's Brexit no deal notice on providing legal services in the EU](#).

## **3. Trademarks and designs**

At present EU trademarks and Community designs (registered and unregistered) are IP rights that apply across all EU member states. The EU registered rights will no longer have effect in the United Kingdom should the UK leave the EU under a no deal scenario. EU-based rights will continue to be valid in the other EU27 member states.

In the relevant no deal notice, the Government has stated that it will provide registered EU trademark and design rights holders with an equivalent UK right upon exit so that there is

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<sup>2</sup> <https://www.lawsociety.org.uk/support-services/advice/articles/no-deal-brexit-providing-legal-services-in-eu/>

continued protection in the UK. Businesses, organisations or individuals that have ongoing applications for an EU trademark or registered Community design at the point of the UK's exit from the EU will have a period of nine months from the date of exit to apply in the UK for the same protections they have applied for in the EU, and will retain the date of the EU application for priority purposes, provided they apply within the nine-month deadline.

With regard to unregistered Community design rights, the Government has stated that it will continue to protect those rights in the UK for the remainder of their term and will also create an equivalent UK right (in addition to the UK unregistered design right). However, this would mean that there would be two types of UK unregistered design rights and it is unclear whether designs first disclosed in the UK post-Brexit will attract unregistered Community design rights and vice versa. Solicitors should consider whether clients affected by this change may wish to simultaneously disclose designs in the EU and UK to try to obtain maximum protection.

#### **4. Copyright and broadcasting**

EU Directive 93/83/EEC provides that the act of communication to the public by satellite occurs for copyright clearance purposes solely in the member state where the broadcast signals are introduced. This means that, at present, broadcasters are obliged only to clear rights in the member state where the signal is introduced. Under a no deal Brexit, broadcasters based in the United Kingdom will no longer benefit from the provisions of this Directive when providing services to EU customers and they should be aware that they will have to clear rights in all member states where the signal reaches.

#### **5. Exhaustion**

The UK Government has stated that, under a no deal Brexit and in the immediate term, it "will unilaterally align to the EU/EEA exhaustion regime from exit day to provide continuity in the immediate term for businesses and consumers and ensure that parallel imports of goods, such as pharmaceuticals, can continue from the EU/EEA".<sup>3</sup>

The Government recognises that this is a unilateral decision on its part and as a result it is unclear whether IP rights relating to goods first put on the market in the UK will be exhausted

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<sup>3</sup> <https://www.gov.uk/government/publications/exhaustion-of-intellectual-property-rights-if-theres-no-brexit-deal>

across the EU/EEA post-Brexit. Solicitors should be aware that parallel imports from the UK to the EU/EEA could, in the future, be blocked by holders of national IP rights or EUTMs.

## **6. Unified Patent Court / Unitary patent**

The formation of the UPC has been postponed due to the challenge pending in Germany's Federal Constitutional Court, which seems likely to prevent the new UPC system beginning prior to 29 March 2019. It is generally accepted that the draft Withdrawal Agreement's proposed transition phase would permit the UK to continue to be a part of the UPC system, at least for the duration of that period.

However, it is less certain that the UK could remain in the UPC system under a no deal scenario. It is unclear whether the CJEU would regard the participation of a non-EU member state in a UPC system with the power to refer matters to the CJEU as lawful, and in particular whether UK participation in the unitary patent part of the UPC package is possible.

In addition, the ability of solicitors to represent clients in the UPC would be in doubt, given the definition of 'lawyers' in paragraph 286 of the UPC Rules of Procedure (which cross-references Directive 98/5/EC). This would be the case even in a scenario where the UK itself was allowed to participate in the UPC and continue to host one of the most important branches of the UPC Central Division in London.

Solicitors should monitor the position of the UK within the UPC carefully under the current context, in particular once the decision of the German Federal Constitutional Court is handed down.

## **7. Databases**

At present EU/EEA states are obliged under EU law to provide database rights to UK nationals, residents, and businesses. Under a no deal Brexit, UK owners of UK database rights may find that their rights are unenforceable in these states.

## **8. Domain names**

Should a no deal Brexit arise, EU Registrars will be entitled to revoke .eu domain names owned by UK companies or individuals on their own initiative and it will not be possible to

renew those domain names.<sup>4</sup> Solicitors advising clients impacted by this change should consider suggesting that they make arrangements to ensure that their web sites continue to be accessible through other means.

## 9. Customs

Solicitors should also note that the European Commission has issued a separate notice regarding customs enforcement of IP rights.<sup>5</sup> In its notice, the Commission states that, following a no deal Brexit, it will no longer be possible to submit an application to the UK customs authorities to request that EU member states take action with respect to goods suspected of infringing an IP right. These applications will instead have to be filed in an EU member state. The notice also indicates that Applications for Action which have been filed with UK customs will be no longer valid in the EU. In a no deal Brexit solicitors should consider whether their clients should re-file their applications in an EU27 member state.

### Bilateral agreements with EU member states

As is explained above, IP laws are broadly harmonised at EU level. In addition, the EU is exclusively competent to negotiate and conclude international agreements on the commercial aspects of IP under Articles 3(1)(e) and 207 of the Treaty on the Functioning of the European Union. As a result, the UK will not be able to come to a bilateral agreement with member states in this area should a no deal scenario arise.

One exception to the above could include the UPC Agreement, which was ratified by the UK Government in 2018. As this agreement is an instrument of international law, once up and running it is possible for the Agreement to be amended (e.g. under Article 87 of the UPC agreement) to allow for any changes required once the UK's final relationship with the EU is confirmed. The UK government is committed to exploring whether it would be possible to remain within the Unified Patent Court and unitary patent systems in a no deal scenario.

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<sup>4</sup> European Commission notice to stakeholders on domain names: <https://ec.europa.eu/digital-single-market/en/news/notice-stakeholders-withdrawal-united-kingdom-and-eu-rules-eu-domain-names>

<sup>5</sup>

[https://ec.europa.eu/info/sites/info/files/file\\_import/intellectual\\_property\\_enforcement\\_by\\_customs\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/intellectual_property_enforcement_by_customs_en.pdf)



## Additional resources for solicitors

UK Government Technical Notice – [Exhaustion of intellectual property rights if there's no Brexit deal](#)

UK Government Technical Notice – [Copyright if there's no Brexit deal](#)

UK Government Technical Notice – [Patents if there's no Brexit deal](#)

UK Government Technical Notice – [Trade marks if there's no Brexit deal](#)

UK Government – [Draft statutory instrument on trade marks](#) (going through Parliament on date of publication)

UK Government – [Draft statutory instrument on patents](#) (going through Parliament on date of publication)

UK Government – [Draft statutory instrument on exhaustion of rights](#) (going through Parliament on date of publication)

UK Government – [Draft statutory instrument on copyright and related rights](#) (going through Parliament on date of publication)

European Commission – [Notice to Stakeholders: Intellectual property enforcement by customs](#)

European Commission – [Notice to Stakeholders: Copyright](#)

European Commission – [Notice to Stakeholders on domain names](#)

European Commission – [Notice to Stakeholders on trademarks and designs](#)