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Client Alert: Don't Panic! Protecting your UK Trademark Coverage in the Wake of the 'Brexit'

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CLIENT ALERT | 7.6.2016

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In the wake of the surprise outcome of the United Kingdom (UK) referendum on whether to leave the European Union (aka, the Brexit), many clients have asked what they should do to ensure continued trademark protection in the UK for their existing European Union (EU) registrations and future applications. In consultation with our network of UK counsel, we have the following advice and information for owners of EU trademarks with operations or desired coverage in the UK.

Overall, it is important to understand that the UK has not actually left the EU yet and likely will not for some time. Actual separation requires that the UK's prime minister invoke Article 50 of the Lisbon Treaty on European Union (2007). The current prime minister has said he will not do so and a new prime minister will not be selected before the fall. It would be an understatement to say that the current political situation in the UK is such that there is no way of guessing when this will take place. Even after Article 50 is invoked, it will be at least two years before the UK officially leaves the EU from the time Article 50 is invoked. Extensive diplomatic negotiations will be required to work out the terms of the separation, including the terms of any new treaties. The negotiations will resolve handling of trademark coverage and other intellectual property matters. UK counsel have let us know that rights in EU registrations will almost certainly be converted into national rights in the UK, however, that is of course not guaranteed.

So, in the short term, we advise as follows:

Your Current EU Registrations

- Trademark owners who require coverage in the UK and have an EU registration need take no action to ensure continued coverage at present. Your EU registration continues to extend to the UK.
- Owners should scrupulously renew and maintain all EU registrations.

A Cautious Approach

- Although it is not necessary to file for UK trademarks now, if your company feels the need to be ultra-cautious, you may wish to file in the UK. If you do so, we would recommend filing for key marks rather than an entire portfolio. UK applications are relatively inexpensive and are typically issued quickly.
- Entities filing new International Registrations with extension to the EU may wish to extend at the same time to the UK. The UK extension is relatively inexpensive, and this would ensure rights in the UK in the unlikely event that EU extensions cease to cover the UK.
- Another cautious approach is to watch the UK register to ensure that one can act against an opportunistic application for marks confusingly similar to yours. The EU trademark register does not notify mark owners of UK applications (and never has). UK trademark register watches begin at about \$100/mark. Vorys lawyers can coordinate such a watch with UK counsel if your company is interested in doing so.

Other Considerations

- If your company has active licenses and agreements specifying the EU, you may wish to add amendments to clarify that they cover the UK as well. New licenses and agreements involving IP protection should now include language making it plain that the provisions extend to the UK.
- Ongoing cancellations and oppositions will likely be finished before any official exit from the EU, and any exit negotiations will probably include a system for allowing prior-initiated proceedings to go through to their conclusion.

If you have any other specific questions concerning your company's trademark coverage with respect to the "Brexit", Vorys lawyers can, in consultation with expert lawyers in the UK, either answer such questions or obtain good guidance on practices to ensure protection in any eventuality.