Without action at UK level, IP rights which are designated as applying across the EU (EU trade marks, Community plant variety rights, Community registered designs and Community unregistered designs) would all be at risk of termination in relation to the territory of the UK once the definition of "EU" no longer included the UK. The same would apply to those rights, qualification for which involves activity within the EU (such as sui generis database rights). However, the Withdrawal Agreement has provided for replacement rights to be granted by the UK Government. The UK Government has always intended (deal or no deal) to provide replacement rights and published its own set of technical notices stating that rights would be replaced with equivalent rights in the UK, the contents of which were confirmed by statutory instruments. It is now expected that this legislation will come into effect at the end of December 2020 when the transition period provided for in the Withdrawal Agreement is due to come to an end.
Brexit statutory instruments

In addition to EU withdrawal legislation, the UK Government has made several statutory instruments which adapt UK IP legislation to take account of Brexit by amending references but also making provision for the various replacement rights or recognition of existing rights post-Brexit (please see side box for a list of EU withdrawal legislation and statutory instruments).

These will come into force along with the other Brexit-related legislation at the end of the transition period. For example, EU trade mark rights in the UK will be replaced by something to be called “a comparable trade mark (EU)” with the same priority date and all other administrative details as the EUTM from which it originated.

The following rights existing at the end of the transition period will be dealt with as follows:

- Rights provided for in the UK by virtue of EU trade marks will be replaced with “comparable trade marks (EU)”;
- Rights provided for in the UK by virtue of Community registered designs will be replaced with “re-registered designs”;
- Rights provided for in the UK by virtue of unregistered Community designs will become “continuing unregistered Community designs” (note: there will also be a new type of unregistered design right to replace the cover given currently in the UK by the unregistered Community design right, which will be known as the “supplementary unregistered design right”);
- Rights provided for in the UK by virtue of Community plant variety rights (“CPVRs”) will be recognised in the UK as if they were UK plant breeders’ rights (“PBRs”), so long as the CPVR was granted at least two months before the end of transition;
- Rights provided for in the UK by virtue of Geographical indications will continue across the UK and EU but there will be an entirely new UK regime for future applications; and
- Rights provided for in the UK by virtue of sui generis database rights will be recognised in the UK and EEA.

Existing EU trade marks

Conversion: EU trade marks (“EUTMs”) that are registered in the EUTM register at the end of transition, in so far as they have effect in the UK, are to be treated on and after the end of transition as UK registered trade marks but will be referred to as “a comparable trade mark (EU)”. Such rights will be deemed registered as of the filing date of the corresponding EUTM. This is important, as there will be no publication of the new registration, and no new certificate will be issued. This means that sections 40(3) and 40(4) Trade Marks Act 1994 (“TMA”) will not apply to a comparable trade mark (EU).

Ownership: Ownership of the UK element of the EUTM will not change once this right is automatically converted to a comparable trade mark (EU). Although there are likely to be delays due to the overwhelming amounts of marks to be converted, the registrar has said that it will enter the details of the comparable trade mark (EU) in the UK register using the English language version of the goods or services used for the corresponding EUTM.

Opt-out: It will be possible for EUTM owners to opt out of the process, but if they do not, their trade mark rights in the UK will convert automatically to a comparable trade mark (EU). To opt out, the owner of an EUTM may at any time after the end of transition serve notice on the UK registrar that the EUTM is not to convert. This is subject to the following conditions after the end of transition:

- the comparable trade mark (EU) cannot have been put to use in the UK by the owner or with his consent;
- the comparable trade mark (EU) (or any right under it) cannot have been made subject of an assignment, licence, security interest or any other agreement or document except for an assent by an estate’s personal representatives; and
- the comparable trade mark (EU) must not be subject of proceedings initiated by the proprietor or with his consent.

An opt-out notice must identify the EUTM and any person who has an interest in the EUTM which had effect before the end of transition and which was recorded in the EUTM Register. However, the notice will be of no effect unless the EUTM owner certifies that such a person has been given no less than three months’
At the end of the transition period, if the UK is now in a transition period, the non-binding Political Declaration on the future relationship between the UK and the EU sets out arrangements for the UK’s withdrawal from the EU with effect from 11pm on 31 January 2020 – when the UK ceased to be an EU Member State.

The UK is now in a transition period following its exit from the EU until the end of 2020.

During transition, EU law continues to apply in and to the UK and the UK continues to trade with the EU as part of the Single Market. All EU-wide intellectual property rights (“IPRs”) will continue to have effect in the UK. The registration of EU-wide IPRs will continue as normal during the transition period (eg Community registered designs, Community plant variety rights and EU trade marks). Other intellectual property rights that arise within the EU and have EU-wide application will continue to do so during the transition period, whether arising via the UK or any EU Member State and will continue to apply in the UK and the EU during transition in the same way as such rights applied prior to the UK’s withdrawal from the EU (eg Community unregistered design, sui generis database rights). IP rights exhausted in relation to particular goods within the EU or the UK prior to or during transition will continue to be recognised as exhausted during the transition period and beyond. Summary guidance is set out in the UK Government’s publication Intellectual Property and the transition period.

The non-binding Political Declaration on the future relationship between the UK and the EU accompanies the Withdrawal Agreement – there will now be an intense period of negotiations to seek to finalise the details of the future relationship.

At the end of transition

• At the end of the transition period, if the new trading relationship is not in place, there could be a no-deal at that point. It is more likely that this will be modified by the introduction of agreed elements of the future relationship or some other
Assignments of an existing EUTM not recorded at the end of transition: Where there is an assignment of an EUTM (or a right in it) but the assignment has not been registered at the EUIPO before the end of transition, then the assignee of the corresponding EUTM (or a right in it), or the owner of the comparable trade mark (EU), may apply to the UK registrar to record the assignment against the comparable trade mark (EU). The usual rules apply in relation to the effects of non-registration of the assignment, ie the assignment is ineffective against a person with a conflicting interest in ignorance of the assignment; and no award of costs in infringement proceedings, unless the assignment was registered within six months of the date of the assignment.

Licences of an existing EUTM: Where an existing EUTM is subject to a licence before the end of transition which licenses the use of the EUTM in the UK and does not expire at the end of transition, then (subject to any agreement between the licensor and the licensee to the contrary) the licence continues to apply to the comparable trade mark (EU) in the UK (subject to the terms of the licence as may be modified in order to be applicable in the UK).

Whether or not the licence has already been recorded against the EUTM, an application to register the licence against the comparable trade mark (EU) may be made to the UK registry by the licensee or the owner of the comparable trade mark (EU). If the licence had not been recorded against the EUTM before the end of transition, then the usual rules apply in relation to the effects of non-registration, ie the licence is ineffective against a person with a conflicting interest in ignorance of the licence; the licensee does not have the statutory rights of a licensee in relation to infringement actions; and no award of costs in infringement proceedings unless the licence was registered within six months of the date of the licence. Where the licence has been recorded against the EUTM before the end of transition, then the effects of non-registration do not apply until 12 months after the end of transition.

Security interests in an existing EUTM: Where an existing EUTM (or any right under it) is the subject of a security interest before the end of transition and the security interest does not terminate at the end of transition, then reference to an EUTM in a document that creates security over the EUTM are to be read as including a reference to the comparable trade mark (EU). Whether or not the security interest has been recorded against the EUTM, an application to register the security interest may be made by the holder of the security interest over the comparable trade mark (EU) or the owner of the comparable trade mark (EU). It is foreseeable, as is usual with the registration of security interests, that the holder of the security interest will seek to ensure that registration is appropriately made.

If the security interest had not been recorded against the EUTM before the end of transition, then the usual rules apply in relation to the effects of non-registration, ie the security interest is ineffective against a person with a conflicting interest in ignorance of the security interest. Additionally, where the security interest has been recorded against the EUTM before the end of transition, then the effects of non-registration do not apply until 12 months after the end of transition.

Continuity of rights: References to an existing EUTM in any document made before the end of transition shall, unless there is evidence that the document was not intended to have effect in the UK, be read on and after the end of transition as including references to a comparable trade mark (EU). Subject to any agreement to the contrary, if before the end of transition the owner of an EUTM has consented to the use or other act relating to the EUTM which would infringe the comparable trade mark (EU) or on or after the end of transition, then the owner will be treated as having given consent to do that use or act in the UK on or after the end of transition.

Trade mark litigation
If, at the end of transition there are proceedings pending in the UK courts which relate to an EUTM, then the EU Trade Mark Regulations 2017/1001 will continue to apply as if the UK were still a Member State (not Arts 128(2) (4) (6) and (7) or 132, which relate to counterclaims for revocation or of invalidity of an EUTM). In infringement proceedings, the UK court may grant an injunction to prevent use of the comparable trade mark (EU) in the UK. In proceedings that involve a counterclaim for revocation declaration of invalidity, the UK court may revoke or make the declaration of invalidity in relation to the comparable trade mark (EU). If before the end of transition there is an injunction in force that prohibits use of an EUTM in the UK, then the injunction continues to have effect in the UK, subject to any order of the court to the contrary.

Registration and renewal of expired EUTMs
An EUTM that has expired within six months before the end of transition is to be treated as if it were an existing EUTM. Thus, a comparable trade mark (EU) derived from an EUTM which expired in the six months prior to the end of transition can be entered onto the UK register but the mark will remain expired unless and until it is renewed. If an temporary set of rules, even though the UK Government has ruled out extending the transition period. Both sides have set out their respective negotiating positions. However, there will be no clarity as to what will happen until towards the end of 2020 and the adage “plan for the worst, hope for the best” continues to apply and no-deal guidance therefore remains relevant. See the accompanying section of the Herbert Smith Freehills Brexit Legal Guide: Leaving the EU: The process and preparations.

- The body of EU law in force at the end of 2020 will be imported into UK law (with necessary amendments) under the European Union (Withdrawal) Act 2018 and the UK legislation made to implement EU law will be retained, with suitable amendments – this will be called “retained EU law”.
- From an intellectual property point of view, in order to implement the provisions of the Withdrawal Agreement which required EU-wide rights to be replaced by the UK Government in terms of their effect in the UK, the Government has already had to produce statutory instruments to provide for their transition into UK rights. If there is no deal, the Government has confirmed that these SIs will be introduced in any case to provide for replacement rights. For details, see the rest of this publication.
- The Government has published a series of notes/guidance with advice for companies, including ones on Trade marks, SPCs and patents, and on other IP rights. These are referred to and linked in the body of this publication.
expired EUTM is renewed in accordance with Article 53 of the EUTM Regulation (2017/1001) (ie in the six months before expiry or the six months following expiry), then the UK registrar must renew the comparable trade mark (EU) for a period of 10 years to the same extent as the EUTM is renewed (eg for the same good and services).

**EUTM applications**

If an applicant has filed an application for an EUTM prior to the end of transition which has not been granted or refused prior to the end of transition, then if the applicant (or his successor in title) files an application for an identical UK mark for some or all of the same goods or services within nine months from the end of transition, then the UK mark takes its application date or priority date (under Article 32 EUTM Regulation) from that for the equivalent EUTM. If an EUTM application claims seniority from a UK trade mark registration, then a UK application which is based on the EUTM application can also claim that seniority, provided that the application for the UK mark is made within nine months of the end of transition. The applicant will have to pay the filing fees for the UK trade mark application.

**Restoration of EUTM and applications**

If an EUTM is removed from the EU register prior to the end of transition but is restored to the EUTM register after the end of transition, then the owner of the EUTM may, within six months from the date of restoration, file at the UK registry a request that the EUTM is treated as an existing EUTM at the end of transition and is able to benefit from the provisions relating to comparable trade marks (EU). If an application for an EUTM has been refused before the end of transition and the application is restored on or after the end of transition and the applicant (or its successor in title) applies to register a UK trade mark for some or all of the same goods or services, then the application is treated as if the EUTM application was pending at the end of transition (and so can claim the same right to priority and or seniority as the EUTM) but the nine-month period for filing the UK application is calculated from the date of restoration.

**Collective and certification marks**

When collective marks or certification marks are filed at the European Intellectual Property Office ("EUIPO") or the UK Registrar, then the relevant regulations of use of that collective or certification mark must also be filed. An EU collective mark or an EU certification mark which becomes a comparable trade mark (EU) will be treated as a UK collective mark or a UK certification mark as the case may be. The owner of such a comparable trade mark (EU) must, after notification from the UK registrar, file at the UK registry the regulations of use that had been filed at the EU IPO before the end of transition (with a translation to English if appropriate). If the regulations of use are not filed, then the comparable trade mark (EU) will be removed from the register.

**International trade marks protected in the EU**

Similar provisions apply to an international trade mark which is protected in the EU (Article 189(2) EUTM Regulation) as they do to EUTMs. Under the Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, the UK right is called a comparable trade mark (IR). The comparable trade mark (IR) is deemed to be registered in the UK from the date of registration of the international registration in the EUIPO if the EU was designated in the original international application filed at the World Intellectual Property Organisation ("WIPO") or, if a request for extension of the international registration to the EU was made subsequently to WIPO, from the date of the recordal of that request.

**Other amendments**

Amendments have also been made in relation to: payment of fees, amendments to the 1994 Act by removing references to the EU and amendments to the Trade Mark Rules 2008. Certain legislation is also revoked, including the EU Trade Mark Regulation 2017/1001.

**Copyright**

Brexit-related changes to copyright in the UK are dealt with by the Intellectual Property (Copyright and Related Rights) (Amendment) (EU Exit) Regulations 2019.

Although copyright law is not harmonised across EU, elements introduced through the Information Society Directive and other Directives, which are already transposed into UK law, will remain valid after exit day unless the UK Government chooses to alter the law. Some key issues are that the country of origin principle will not include the UK, which means that separate clearance of rights will be required on a per-country basis for UK broadcasters to broadcast in the EEA.

UK subscribers will no longer benefit from online content portability and that sui generis database rights will not (post-transition) arise in relation to databases created or owned by non-EEA entities/citizens. The UK Government has published guidance Changes to copyright law from 1 January 2021 (30 January 2020) – see more on database rights below. The UK Government is keen to negotiate some form of mutual recognition for broadcasting rights and continued portability. Member States have 24 months to implement the Directive on Copyright in the Digital Single Market from 15 April 2019 but since this implementation period is outside the transition period, the UK Government has stated that is not obliged to implement the Directive and has no plans to do so (see the Secretary of State for Business, Energy and Industrial Strategy’s response to a written question, in Hansard on 21 January 2020).

**Sui generis database rights**

Sui generis database rights, by definition, only arise/exist in relation to databases created or owned by EEA entities/citizens under Article 11 Database Directive as confirmed in the European Commission Notice to stakeholders – Withdrawal of the United Kingdom and EU rules in the field of copyright (28 March 2018): “[the sui generis database right] ... shall apply to database whose makers or right holders are nationals of a Member State or who have their habitual residence in the territory of the Community. [...] Where such a company or firm has only its registered office in the territory of the Community, its operations must be genuinely linked on an ongoing basis with the economy of a [Member State].”

The UK Government’s guidance on copyright Changes to copyright law from 1 January 2021 (30 January 2020) also covers sui generis database rights mentioned above, as does the UK Government guidance Sui generis database rights from 1 January 2021 (30 January 2020). The Withdrawal Agreement allows for these rights, if they arise before the end of the transition period, to be maintained in the UK for at least the same period as they would have done but for Brexit whether their creators are UK or EEA-based and sui generis database rights existing at the end of the transition period which were created by UK-based entities will continue to be effective in the EEA. At the end of the transition period, new sui generis database rights in the EEA will not arise where the creators are not EEA-based. An equivalent right in the UK, giving the same protection as was available prior to the end of transition under sui generis database rights, will be created by the UK Government in the UK for databases created by UK entities. In relation to protecting rights in
the EEA in relation to databases created by UK entities post-transition, the UK Government has previously recommended that UK rights owners consider relying on other forms of protection, such as restrictive licensing agreements or copyright (where applicable), for their databases, as these will no longer qualify for sui generis database right in the EEA post-transition.

Geographical indications

Geographical indications protected in the EU prior to the end of the transition period will continue to be able to be used in the UK by the persons to whom they are granted, from the end of the transition period, without any re-examination, and will be granted at least the same level of protection under the law of the United Kingdom unless or until they cease to be protected in the EU. This also applies to protected designations of origin, traditional specialties that are guaranteed and traditional terms for wine. The European Commission’s publication Questions and Answers on the United Kingdom’s withdrawal from the European Union published on 31 January 2020, states that “This agreement will also benefit the geographical indications bearing a name of UK origin (e.g. Welsh lamb); they will also obtain protection under UK law in the United Kingdom and maintain the existing protection under EU law in the EU”.

Designs

Changes to the design regime in the UK necessitated by Brexit are covered by the Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Below we set out the impact of the end of transition on both registered Community designs (“RCDs”) and unregistered Community designs (“UCDs”).

Registered community designs

If a design is registered on the RCD register and published in the Community Design Bulletin before the end of transition, it will be treated in the same way as if it were a UK registered design. It will be automatically entered on the UK register at no cost and termed a “re-registered design”. See The Designs and International Trade Marks (Amended etc.) (EU Exit) Regulations 2019. The priority date and any other assessment dates will remain the same. The same applies to designs registered for the EU under the Hague System, although these will be termed “re-registered international design” instead. The Hague System for the International Registration of Industrial Designs will remain open for UK businesses to access as the UK has already ratified this agreement in its own right.

Just as with trade marks, design owners can opt out, at any time from exit day onwards, from the automatic conversion of its design rights. However, if the application for a design right is pending on exit day despite having a filing date, the rights holder will have to re-file its application at the UKIPO as a UK application within nine months from the day after exit day. The new application will then be given the same filing date as the RCD application. The same applies if the RCD application is deferred.

There will be the opportunity to opt-out of the replacement right (as there is with the trade mark arrangements). Details of how to do this and the limitations, as well as guidance on the above, are set out in UK Government guidance: Changes to EU and international designs and trade mark protection from 1 January 2021 (30 January 2020).

Unregistered community designs

Like RCDs, UCDs created before the end of the transition period will automatically convert into an equivalent UK right post-transition. These new equivalent rights will be called “continuing community unregistered designs”. These rights will expire on the same day as it expires in the EU27, meaning that the last rights that are created will expire three years from the end of transition.

A new right, the “supplementary unregistered design” will be introduced in the UK to fill the gap left by the unregistered community design right. It is important to note that the separate UK unregistered design right is not exactly the same, hence the need for this new right. The supplementary unregistered design right will protect designs where they are disclosed in the United Kingdom or countries or territories that are designated by statutory instrument.

Where designs are first disclosed, will be significant post-transition. UCDs arise when the design is first made available in the EU. Qualification for the new UK right, supplementary unregistered design, will be dependent on first disclosure in the UK, or other qualifying country, but first disclosure in the EU will not establish the right and may destroy the novelty in the design, should registered rights be sought subsequently. See the UK Government’s guidance, Changes to unregistered designs from 1 January 2021 (30 January 2020).

.eu Domain names

The registry for .eu domain names (“EURid”) issued guidance on 3 February 2020, stating that “During the transition period UK residents and citizens will continue to be able to hold and register a .eu domain name”. According to Article 4(2)(b) of Regulation (EC) No 733/2002, as amended by Regulation (EU) 2019/517, as of 19 October 2019, the following persons are eligible to register .eu domain names:

• a Union citizen, independently of their place of residence;
• a natural person who is not a Union citizen and who is a resident of a Member State;
• an undertaking that is established in the Union; or
• an organisation that is established in the Union, without prejudice to the application of national law.

As from the end of the transition period (currently this would be from 1 February 2020), the plan outlined below will apply in relation to .eu domain names that have GB/GI as the registrant’s residence country code:

• New registrations: EURid will not allow the registration of any new domain name with GB or GI as the residence code, unless the registrant’s citizenship country code is an EU27 Member State.
• .eu domain names with GB or GI as the registrant’s residence country code at the end of the transition: GB and GI registrants will receive communications of their non-compliance with the .eu regulatory framework prior to the transition. They will be given the opportunity to comply with the framework – EURid’s notice contains examples of actions which can be taken by GB and GI registrants. Those who do not demonstrate compliance with the .eu regulatory framework will be deemed ineligible to hold a .eu domain name and their domain name will be withdrawn.
• .eu domain names with GB or GI as the registrant country code on WHOIS but are on hold on at the end of transition: If there is a legal court case pending, these domain names will remain unregistered until judgment. However, they will be suspended and cease to function. The rules mentioned above in relation to the registrant’s residence country code apply to these domain names as well, with the difference that EURid will withdraw the domain name as soon as practicable after having received a final court decision.
• .eu domain names with GB or GI as the registrant country code on WHOIS but in quarantine status at the end of transition: No transfers from quarantine will be possible between, unless the registrant has a citizen country code of an EU27 Member State. Transfer to a registrant not in GB or GI will remain possible.
For any EU citizens that have a registered domain name, they will have to ensure that their registration data is updated to comply with the eligibility criteria of Article 20 of Regulation 2019/517. Similarly, any UK citizens that are resident in an EU27 Member State will remain eligible for an .eu domain name on the basis of the Article 20 criteria. It is therefore crucial for domain name holders to act to ensure that their domains are not withdrawn from the register.

**Patents**

**European patents and UK national patents**

UK designated European patents ("EPS") will continue to apply in the UK and it will still be possible to apply for EPs at the European Patent Office. UK entities will be able to apply for European patents as normal for any designations. Nationally granted UK patents will also be available.

**The UPC**

The main impact on patent litigation will be on the establishment of the Unified Patent Court ("UPC") and whether the UK can continue to be part of this new patent litigation system for European patents and the new unitary patent ("UP"), post-transition. The UK has ratified the UPC Agreement so all that is needed for the new system to commence is for Germany to ratify also. Germany's ratification has been delayed by a complaint about the UPC Agreement in the German Constitutional Court.

Opinions vary on whether the UK could continue as part of the UPC system once it is no longer an EU Member State. This may also be largely dependent on whether the Court of Justice of the EU ("CJEU") would accept a non-EU Member State's involvement and whether the UK would accept the role of the CJEU in relation to references from the UPC on EU law matters.

**Pan-European enforcement post-Brexit**

Even if the UK is not in the EU (and not in the UPC system), UK businesses with European patents designated to participating EU Member States will still be able to use the UPC to enforce patents or seek declaratory relief, unless they have chosen to opt these patents out of the UPC’s jurisdiction. UK entities will of course be able to apply for UPs – although the latter will not cover the non-participating Member States (Spain, Croatia & Poland), nor any non-EU European Patent Convention States (eg Turkey, Switzerland, Norway), for which European patents will still be available. Those will all need to be litigated nationally as they will be outside the jurisdiction of the UPC.

The UPC has advantages (central enforcement) and disadvantages (central revocation) for patentees and their competitors alike. Assuming that the UPC does “go live”, UK businesses with UPs and EPs will still be able to use the UPC for enforcement of their patents in other participating EU countries, whether the UK is in or out of the EU. However, given concerns about how the UPC will operate in the early years and the quality of the early decisions made by it, some patent proprietors will choose to opt-out their European patents from the UPC system. As a result, business is still likely to pursue litigation in multiple jurisdictions across Europe (including the UK) outside of the UPC system.

Pan-European enforcement strategies will remain important post-transition and post the introduction of the UPC. Indeed, current or future pan-European patent litigation strategy will still involve multiple courts and supranational management of disputes, whether or not the UPC goes ahead and with or without the UK’s participation given that Spanish, Polish and Croatian designated European patents will also be outside the UPC’s jurisdiction and UPs will not have effect in these jurisdictions. Further, nationally granted patents will continue to be litigated locally.

Thus it will still be critical to have advisers who are expert in handling multiple cross-border disputes and managing local lawyers in jurisdictions within Europe or beyond.

**See the jurisdiction and opt-out page of HSF’s UPC and UP hub on our website for more information on the UPC and our article on considerations for opt-out published in Managing IP Magazine, as well as our PLC Magazine article on preparing your patent portfolio for the advent of the UPC and the UP which are also linked on our UPC and UP hub.**

**Unitary patents**

Once the UPC is established, applications for UPs will be able to be made via the EPO system (a designation of unitary effect will be able to be requested at the time of grant). Should the new system be established before the end of transition, the unitary patents will cover the UK during that period. However, post-transition, without any further agreement, any granted UPs would no longer apply in the UK. In such circumstances, it is likely that the UK Government would provide some sort of replacement right, as is planned currently under the draft Withdrawal Agreement for the other registered rights (see above).

There is no provision made in the Withdrawal Agreement for creating equivalent rights to replace UP rights, should the UPC come into effect (and UPs therefore become available) prior to the end of the transition period. The UPC itself needs to be in place before UPs can be granted. It seems that UPs were not included in the Withdrawal Agreement as it was far from clear that the new patent system would be up and running before the end of the transition period since, for instance, the German ratification of the UPC Agreement being dependent on both constitutional court and parliamentary decisions.

**The EMA**

With the UK poised to leave the EU, the European Medicines Agency ("EMA") moved from London to Amsterdam in early March 2019. However, the UK and the rest of the EU need to remain in step in terms of the ability to get pharmaceutical and medicinal products to market efficiently in both jurisdictions post-transition. The Medicines and Healthcare products Regulatory Agency ("MHRA") will take many of the regulatory responsibilities in the UK currently dealt with by the EMA, and the MHRA has committed itself to maintaining a good relationship with the relocated EMA.

**Supplementary protection certificates**

Supplementary Protection Certificates ("SPCs") are UK national rights granted by the Intellectual Property Office ("IPO") under rules determined by an EU Regulation.

The UK Government’s guidance Changes to SPC and patent law from 1 January 2021 (30 January 2020) confirms that the Withdrawal Agreement ensures that SPC applications which are pending at the end of the transition period will be examined under the current framework. Any SPC which is granted post-transition, based on those pre-end of transition applications, will enjoy the same level of protection as SPCs granted before the end of transition. An SPC that has already taken effect will remain in effect after 31 December 2020. SPCs granted but not yet in force will come into force at the end of the associated patent term as normal. The current EU law states that an SPC can only be granted if the product is protected by a patent and covered by a marketing authorisation ("MA"), in the Member State where SPC protection is being sought. This continues through the transition period and will stay the same post-transition.

To get an SPC in the UK, a patent valid in the UK will be a pre-requisite and a MA which allows the product to be sold on the UK market at the time the SPC is applied for. MAs already in place (granted by the EMA) prior to the end of transition will convert automatically into UK MAs at the end of transition. Post-transition, new MAs for the UK will be granted by the
Medicines and Healthcare products Regulatory Agency ("MHRA"). This is not a reciprocal process, however, and UK post-transition MAs granted by the MHRA will not automatically become EU MAs – the latter will need to be applied for separately at the EMA. An SPC filed after the end of the transition period will get the same term of protection as it would if filed before. This will still be calculated based on the first authorisation to place the product on the market in either the UK or the EEA.


The Withdrawal Agreement sets out a provision for dealing with pending applications for SPCs in the United Kingdom, stating that Regulation (EC) No 1610/96 of the European Parliament and of the Council and Regulation (EC) No 469/2009 of the European Parliament and of the Council shall apply in respect of applications for SPCs for plant protection products, for medicinal products, or applications for the extension of the duration of such certificates, submitted to an authority in the United Kingdom before the end of the transition period where the administrative procedure for the grant of the certificate concerned or of the extension of its duration was ongoing at the end of the transition period and that any certificate granted pursuant to this "shall provide for the same level of protection as that provided for in Regulation (EC) No 1610/96 or Regulation (EC) No 469/2009".

Paediatric extensions

With regards to the six-month paediatric extensions granted by EU Regulation 1901/2006, Changes to SPC and patent law from 1 January 2021 (30 January 2020) states that if you have already been granted a paediatric extension to an SPC at the end of transition or have an application for one pending before the IPO, the existing requirements will still apply.

This means that proof of MAs in all EEA states will still be needed before the extension can be granted and existing extensions can still be challenged on this basis.

From 1 January 2021, the availability of the paediatric extension will be determined based on equivalent provisions in the UK’s Human Medicines Regulations 2012. The process of applying for an extension will remain the same. One will still be able to make the request at the same time as filing the SPC application, or at any point up to two years before the SPC expires. The requirement for extension will be the same but evidence of authorisation covering the product across the EEA will no longer be needed.

There has been no provision made under the Unitary Patent Regulation (EU) No 1257/2012 for "unitary SPCs", nor under the UPC Agreement. It appears that SPCs on unitary patents will therefore need to be obtained through separate applications in each country for which protection is required (as currently for EPs).

However, any assessment of the validity of an SPC (on either an EP or a UP) will be made by the UPC unless the EP involved has been opted out. It is possible that there may be some sort of unitary SPC available in the future but this would require a central administrative body and further legislation and so is unlikely to be in place before the end of the currently envisaged transition period.

Plant variety rights

Community plant variety rights

Rights provided for in the UK by virtue of Community plant variety rights will be recognised in the UK as if they were UK plant breeders’ rights so long as the CPVR was granted at least two months before the end of transition. Rights holders must apply to the Animal and Plant Health Agency ("APHA") for the equivalent UK rights if applications for EU rights have not been granted by 31 October 2020 or if they are granted during the period between that date and the end of the transition period, according to the UK Government guidance: Plant variety rights and marketing plant reproductive material from 1 January 2021. See this guidance for further details.

Exhaustion of IP rights

IP rights are considered exhausted in the EEA once goods which incorporate the IP rights or are marketed by reference to them have been put on the market anywhere in the EEA by the rights holder or with its permission. Thus, the rights holder cannot rely on his IP rights to prevent movement of those goods within the EEA. After the end of the transition period, the UK will no longer be part of the EEA and such EEA exhaustion would not automatically apply to goods put on the market in the UK and nor would rights in goods put on the market in the EEA be regarded as exhausted in the UK. This would create an opportunity for the enforcement of rights at the border (in both directions) so limiting the movement of goods between the EEA and the UK.

Goods moving from the EEA to the UK post-transition: As a partial resolution to the potential problem of the restriction of movement of goods by virtue of the assertion of IP rights, the UK Government has made The Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2019, which will come into force at the end of transition. These regulations provide for IP rights in goods put on the market in the EEA post-transition to be
exhausted in the UK. Entities can continue to import goods into the UK that were first put on the market in the EEA without risk of a rights holder relying on its IP rights to prevent that importation. Thus, parallel imports from the EEA, where the goods have been first marketed by the rights holder or with its consent in the EEA, should be able to continue.

The legislation: Section 2(1) of the Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations, states that anything which was, immediately before the end of the transition period, an enforceable EU right relating to the exhaustion of rights of the owner of an IP right under Arts 34 to 36 of the TFEU or Articles 11 to 13 of the Agreement on the EEA, and is retained EU law by virtue of section 4 of the European Union (Withdrawal) Act 2018, has the same effect on and after the end of the transition period, despite the UK not being a Member State, as it had immediately before the end of the transition period. “Enforceable EU right” includes any right created or arising by or under the Treaties, and all remedies and procedures provided for by or under the Treaties which are given legal effect or are used in the UK without further enactment and such rights are recognised and available in UK domestic law and are enforced, allowed and followed accordingly (section 2(1) of the European Communities Act 1972).

As a result, there are consequential amendments to the relevant IP statutes. For example, section 12 (1) of the Trade Marks Act 1994 will be amended to state that “a registered trade mark is not infringed by the use of the trade mark in relation to goods which have been put on the market in the United Kingdom or the European Economic Area under that trade mark by the proprietor or with his consent”. Section 17(3) of the Trade Marks Act 1994 will be amended to state that “nothing in subsection (2) shall be construed as affecting the importation of goods which may lawfully be imported into the United Kingdom by virtue of anything which forms part of retained EU law as a result of section 3 or 4 of the European Union (Withdrawal) Act 2018”. Similar amendments will be made to sections 7A(4) and 24G (5) of the Registered Designs Act 1949 and to Sections 18(2) and 27 (5) of the Copyright, Designs and Patents Act 1988 (“CDPA”).

Goods moving from the UK to the EEA: In the UK Government’s guidance: Exhaustion of IP rights and parallel trade from 1 January 2021 (30 January 2020), there is reference to the fact that goods put on the market in the UK by or with the consent of the right holder after the transition period “may no longer be considered exhausted in the EEA” and the advice to UK IP rights holders to consider whether they wish to use their rights to prevent exports to the EEA and to exporters to check that the goods they are exporting may require permission from the rights holder post-transition. The Withdrawal Agreement states that goods in the distribution chain at the end of the transition period will be allowed to continue to end-users without interference and thus rights in goods which were exhausted before the end of transition will continue to be exhausted – but this is a reference to actual goods already put on the market, not to a continuing exhaustion for similar goods put on subsequently. Thus for goods newly put on the market in the UK post-transition right holders in the EEA will be able to prevent their movement into and around the EEA using EEA or EU wide rights or national rights.

Licensing
Although there is provision in the Withdrawal Agreement for the EU to be “understood” as including the UK in any interpretation of EU law during the transition period, the same does not directly apply to individual contractual and other arrangements and nothing is agreed as to how to approach this post-Brexit. The effect of the territory of a licence being specified as the “EU” or whether a licence of EU-wide right covers the replacement right in the UK post-transition will be a matter of contractual interpretation: see accompanying sections: Contract and other obligations).

For clarity, those who license (in or out) EU-wide IP rights or have the EU as a designated territory in any agreement where the UK is a key territory should take every opportunity to ensure that all parties are in agreement as to what this means during the transition period and importantly beyond. New agreements should provide specifically for the effect of Brexit.

Disputes
It is likely there will be cases before the CJEU in progress at the end of the transition period, including references from the UK courts, that may affect EU rights that will become UK rights. Rulings made by the CJEU in a specific case will be binding on the point dealt with. Generally, EU law predating the end of transition is likely to be applied by UK courts in so far as relevant to retained EU law or, potentially, the scope of UK rights intended to mirror EU rights in the UK, although the Court of Appeal and the Supreme Court will be free to depart from EU precedent. See accompanying section: The UK’s new legal order post-Brexit: A new class of UK law.

In addition, the Withdrawal Agreement is directly effective in the UK in so far as it creates or gives rise to rights, powers, liabilities, obligations and restrictions (by virtue of section 7A of the European Union (Withdrawal) Act 2018, introduced by the European Union Withdrawal Agreement Act 2020 section 5. To this extent, the Articles dealing with the IP rights that the UK has promised to provide will be binding on the UK courts.

There will be changes to the law on choice of court and enforcement of judgments but arbitration rules are unaffected: see accompanying section: Disputes.

Finally, any provisions in trade agreements between the EU and third countries relating to intellectual property ceased to be legally binding on the relevant third countries on 31 January 2020, although it is expected that most third countries will continue to treat the UK as if it were an EU Member State until the end of transition. The UK is working to “roll over” these agreements in direct agreements with the third countries that have free trade agreements with the EU, which would preserve the status quo and had some success in achieving this. See accompanying section: Trade: The future relationship between the UK and the EU.

Any of these matters may need to be considered in the event that a licensing dispute arises. Disputes relating to the validity or use of an intellectual property rights will continue to be dealt with primarily before the national or European body responsible for the grant of the right and the courts of a relevant country where that right is being exercised/the CJEU.

Key contacts

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