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Newsletter- Winter 2020

Time for strategies to prepare for impact of Brexit!

1. ONE month to go! - Brexit impacts on IP:

- Patents at EPO – NO change!
- EU trade marks (EUTM) and Registered community designs,
- International registrations designating the European Union,
- Supplementary Protection Certificates,
- Renewal fees for EU IP rights,
- Change in practice and rules re: address for service at UKIPO.

2. Chinese Patent applicants will be able to designate EPO as ISA

Welcome to Hanna Moore + Curley Winter newsletter.

1. ONE month to go! - Brexit impacts on IP

The United Kingdom (UK) left the European Union (EU) on 31 January 2020 but during a transitional period since then, EU law has continued to apply in the UK. However, with the transition period to end on 31st December 2020, there is now only 1 month remaining of this post-Brexit transition period; and then EU law will no longer apply in the UK. In this newsletter, we discuss what actions are needed by rights holders of EU trade marks and EU designs in order to maintain their rights in the UK from 1st January 2021 onwards.

The UK Intellectual Property Office (UKIPO) is taking steps to provide legal certainty and to protect granted IP rights in the UK that were derived from filings at the EUIPO. The UKIPO will convert almost 1.4 million EU trade marks and 700,000 EU designs to comparable (“cloned”) UK rights at the end of the transition period on 31st December 2020. These “UK cloned rights” will come into effect on 1 January 2021.

◆ Patents at EPO- NO CHANGE!

The EPO is NOT an EU organisation. Brexit does NOT have any effect on the UK being part of the EPO patent filing and granting system and so, the UK continues to remain in the EPC. Therefore, patents can still be obtained in the UK via applications filed at the EPO. Applicants can continue to apply, in the same way as always, with no change, for a European patent at the European Patent Office (EPO) based on the laws of the European Patent Convention (EPC) either under the Paris Convention or via the PCT.

◆ EU trade marks (EUTM) and Registered community designs (RCD)

Comparable UK trade mark and UK design rights will be created by UKIPO for granted EU trade mark and design rights at the end of the transition period on 31st December 2020,.

However, the situation is different for EUIPO applications that are still pending on 31st December 2020. Our Table below summarises the actions needed for applications for trade marks and designs that are STILL PENDING at the EUIPO on 31st December 2020:

1 st January 2021 EU trademark and EU designs	Granted/ Registered	Corresponding Right created in UK ? YES!	A cloned UK right will be created by the UKIPO automatically
1 st January 2021 EU trademark and EU designs	Pending	Corresponding Right created in UK ? NO !	MUST Re-file application at the UKIPO within 9 months of the end of the transition period which is 31 December 2020 (i.e. by 30 September 2021).
1 st January 2021 EU trademark and EU designs	Not filed yet	EU Applications cover UK ? NO!	Must file at EUIPO AND at UKIPO to seek protection for UK as well as 27 EU countries

Businesses, organisations or individuals that have PENDING APPLICATIONS for an EU trade mark or an EU design which are still pending on 31 December 2020, will have a time limit of nine months from the end of the transition period i.e. up to 30th September 2021 to apply in the UK for the same rights to be pending in the UK. An application fee must be paid to the UKIPO when filing these applications. The same official fees must be paid to the UKIPO as for filing a national UK application for a UK trade mark or UK registered design.

◆ International registrations designating the European Union

In accordance with the terms of the Withdrawal Agreement, international registrations for trade marks and designs that have been registered before the end of the transition period on 31 December 2020 will continue to be protected in the UK after 31 December 2020 by the creation of a cloned UK right – NOT a UK designation.

This means that separate renewal fees are payable to the UKIPO in relation to the separate UK right if the UK right is to be maintained in force.

◆ **Supplementary Protection Certificates**

SPCs are not granted as EU-wide rights, but rather as national rights. The current SPC legal framework in the UK is maintained and existing UK SPCs granted under that system continue to remain in force in the UK.

SPC applications which are pending at the end of the transition period will be examined as usual, under the current UK legal framework.

◆ **Renewal fees for EU IP rights**

Internal records will have to be updated and the new UK registrations added to internal records.

General rule: Where an EU Registered design and EU trade mark is due for renewal after 31st December 2021, separate renewal formalities and fees will have to be paid to both the UKIPO AND EUIPO in order to keep in force each of the parallel UK and EU registered design and Trade marks.

Renewal fees payable before 31 December 2020: where an EU trademark or design renewal date falls on or before 31 December 2020, payment at the EUIPO will also extend to the new UK cloned trade mark or UK registered design. No separate renewal will be necessary to be paid to the UKIPO in 2020- 2021.

Renewal fees due after 31 December 2020:- However, where the renewal date falls after 31 December 2020, Owners of EU Trade Marks (EUTMs) which are due to be renewed after 31st December 2020 will need to decide if they wish to renew both the EU registrations covering the remaining 27 countries in the EU and the new registrations covering the UK.

These rules for renewals will apply in the same way to EU designations of International Trade marks. As we indicated above, new UK national rights will be created and not new designations of the International trade mark. Therefore, renewal of the International Registrations will NOT automatically renew the UK rights. The new UK national rights will therefore need to be renewed separately in the UK by payment of the UK renewal fee to the UKIPO.

Special situation: Early payment of the renewal fee to EUIPO: Where the renewal date falls after 31 December 2020, early payment of the renewal fee at the EUIPO will have no effect in relation to the new UK right that will be created (cloned) on 1st January 2021. Thus, if you pay the renewal fee on your EU trademark or design between 1 July 2020 and 31 December 2020, but the actual renewal deadline date is after 31 December 2020, the early payment will only renew the EU trademark or design and will have no effect on the cloned UK trademark or design that will only come into existence on and from 1st January 2021.

Therefore, the newly created UK right will need to be renewed separately by payment of the renewal fee to the UKIPO to enjoy protection in the UK for the next renewal period.

◆ Will your IP agreements cover the UK after Brexit?

The UK's exit from the EU will have an effect on all types of intellectual property (IP) where there are existing agreements or licences in place. In relation to Brexit, we currently have only 1 month remaining in the transition period which ends on 31 December 2020, so it is important to review all your contracts now and ensure that your IP interests are protected in light of end of the Brexit transition period from January 1st 2021 onwards.

An IP agreement including contracts, licences or any other type of IP agreement will usually be defined by "Territory" and by reference to the relevant IP rights. Currently, the territory of the European Union (EU) refers to the entire EU including the UK but this will not be the case when the transition period ends on 31 December 2020. From January 1 2021, the UK will not be part of the EU. References in IP agreements to the "European Union" or "EU" will NOT cover the UK. It is therefore important to ensure that the UK's exit from the EU does not cause your agreements to result in commercial disadvantage to you or your clients.

Scope of IP rights: An agreement or licence typically recites the relevant IP rights. The IP rights are usually defined in the agreement or in a 'Schedule' to the agreement. Where these are unitary EU rights that will be separated after Brexit, that is, EU trade mark or design registrations, the EU trade mark or design registrations rights will not cover the UK from January 1 2021. Separate UK rights will be created, and it may be necessary to amend or redraft your IP agreements to reflect this change and to ensure that any cloned UK rights are also recited in an amended IP agreement.

Territory: If the geographical reach of an agreement is defined as the 'European Union' with no further definition or specific mention of the UK, that agreement may no longer apply to the UK when the transition period ends on December 31 2020. This could have an effect in terms of the management of licence arrangements, Freedom to Operate (FTO), or the ability to rely on restrictions imposed in litigation settlements and co-existence agreements. There are other considerations such as royalty payments and customs duties that may also be relevant to avoid commercial impact. Fortunately, there is still time to review and ensure that your agreements and licences are ready for the redefined geography of the EU in the post-Brexit landscape.

Actions needed: In-house lawyers and patent and trade mark attorneys, are advised to take action now to be ready for Brexit in IP contracts to ensure that companies and clients do not lose out on revenues or be left open to risks in relation to the UK no longer being in the European Union (EU) as from January 1st 2021.

We strongly recommend that in house lawyers and attorneys take the time to review the companies' and client's IP and licence agreements; it may be that a simple revision by an addendum note is needed or perhaps, a re-draft of the agreement contract is required. Make sure that any new agreements are drafted to provide a full definition of 'territory' where the EU is involved and refer to the UK specifically.

Owners and applicants of UK trade mark and designs rights will need to have systems in place to adjust for the fact that there will be renewal fees separately payable to UKIPO as well as to EUIPO in order to keep their trade mark and design rights in force for the cloned UK rights as well as paying the renewal fees for the parallel EU rights.



◆ Change in practice and rules re: address for service at UKIPO:

The UK government has announced that it intends to change legislation so that proprietors of UK IP rights including patents, trade marks and designs will need to use a UK, Gibraltar or Channel Islands address for service from 1 January 2021.

From 1 January 2021, an address for service in the UK, Gibraltar or Channel Islands, will need to be provided when filing new applications for patents, trade marks and designs at the UKIPO as well as in any new contentious proceedings or when initiating new proceedings for existing IP rights, for example, when registering an address for service for the UK validation at the UK Intellectual Property Office (UKIPO) based on a granted European patent.

Thus, from 1 January 2021, an address for service within the European Economic Area (EEA) will no longer be accepted by UKIPO. The new rules will not apply to applications or proceedings already pending at UKIPO before 1 January 2021.

Also, the changes in the rule for address for service will not apply, initially, to the comparable UK trade mark and design rights that are created from EU trade mark and design rights (i.e. the "cloned" UK rights that will be created on 1 January 2021, from granted EU trade mark and design rights). So, all UK comparable ("cloned") trade mark and design rights that will be automatically created on 1 January 2021 will not be required to have a UK address for service for three years following the end of the transition period i.e. up to 31 December 2023. However, the address for service changes will apply to UK trade mark and design applications that will be filed at the UKIPO based on EU applications pending at the European Intellectual Property Office (EUIPO) on 1 January 2021, or registered EU designs that are subject to deferred publication, and for which a new UK application is required to be filed at UKIPO by September 30 2021.

Hanna Moore + Curley has offices in the United Kingdom as well as in the European Union and in China and is already well prepared to serve our clients with regard to the changes in the address for service rules of the UKIPO.

2. Chinese patent applicants will be able to designate EPO as ISA

A two-year pilot programme between the European Patent Office (EPO) and the China National Intellectual Property Administration (CNIPA) will enable nationals and residents of the People's Republic of China to select the EPO as their International Searching Authority (ISA) for applications filed in English under the Patent Cooperation Treaty (PCT).



We are very pleased to note that this pilot programme, started on 1 December 2020. The pilot programme will be open to applicants filing with either the CNIPA or the World Intellectual Property Organization's (WIPO) International Bureau (IB) as receiving Office. The pilot programme is limited to a total of 2,500 applications in the first 12 months and 3,000 applications in the second 12 months.

CNIPA Commissioner, Dr Shen Changyu commented: *"China attaches great importance to intellectual property work. Chinese businesses consider IP*

protection to be a guarantee of core competitiveness and sustainable development. The PCT/ISA pilot programme is one of the important outcomes of the comprehensive strategic partnership between the CNIPA and the EPO and will help applicants to acquire IP protection in Europe".

EPO President, António Campinos said: *"This is a historic moment in our strategic co-operation with the CNIPA and, I believe, a sign of trust in the high quality of our work. The EPO is enormously proud to be the first office other than the CNIPA to be designated as an ISA for Chinese applicants and we are committed to providing the best possible service to applicants from China and worldwide".*

Before 1 December, the CNIPA is the only competent ISA for international (PCT) patent applications that are filed at the CNIPA as Receiving Office.

Under the pilot programme, nationals and residents of the People's Republic of China filing international patent applications in English with CNIPA as the Receiving Office will be able to select the EPO, as an alternative option to CNIPA, as the competent ISA.

For an initial transition stage, choosing the EPO as ISA will require payment of the international search fee directly to the EPO in euros (EUR). It is planned to soon enable applicants participating in the pilot programme to pay this fee to the CNIPA in renminbi (CNY) on filing their application. We hope that the transitional phase will not last for any longer than the first few months and then applicants participating in the pilot programme will be able to pay the International search fee to the CNIPA in renminbi (CNY) on filing their application.

PCT applicants who are nationals or residents of the People's Republic of China and whose international search is carried out by the EPO as ISA will also be able to file a request for international preliminary examination with the EPO. Those Applicants must pay the corresponding fee directly to the EPO, pursuant to PCT Chapter II.

News from Hanna Moore + Curley

We are still working from home due to Government restrictions to fight against the spread of Covid-19. Our IT system is supporting us well and we have adapted to the new norm of working from home and still maintaining our team spirit and we still continue with our professional development and training every week using online tools. We wish you all good health and well-being as we all look forward to 2021 with resilience and know that we are strong together.

Our office locations: European Union, United Kingdom and China

Hanna Moore + Curley has offices in Dublin, Ireland in the European Union and in Belfast, United Kingdom and in Dalian, Liaoning Province, China. We are well placed to continue to serve all our clients at the EPO, UKIPO, EUIPO and IPOI.



The information in this Newsletter is for general guidance only and does not constitute legal advice. Please contact Marie WALSH and Yan GUO on china@hmc-ip.com if you have any questions on aspects of International IP strategy, in particular, relating to the EPO or UKIPO.

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