

EIP

Registered Designs in EU and UK after Brexit (By Darren Smyth, AIPPI Japan Vol. 65 No. 5, May 2020)

1. Introduction

Since the UK voted to leave the EU in the referendum in 2016, Japanese owners of intellectual property rights in Europe have been concerned about the consequences for their rights, and the increased cost and complexity of obtaining protection in both the UK and the remaining EU countries (the so-called “EU27” countries that remain after the UK has left) in the future. In this article we examine the process by which the UK leaves the EU, and the consequences for registered design protection in Europe during the Brexit process and afterwards.

2. Process of the UK leaving the EU – the transition period

Legally, the UK has ceased to be a member of the EU since 31 January 2020. However, because a Withdrawal Agreement was concluded between the UK and the EU, EU law continues to apply in the UK during a transition period, which is scheduled to expire on 31 December 2020. During that period, the UK remains a full participant in the EU intellectual property systems, and Registered Community Designs continue to have effect in the UK.

According to the Withdrawal Agreement, the transition period can be extended by up to two years, but any such extension must be agreed before 1 July 2020. The UK Government has stated that it will not extend the transition period. Nevertheless the UK policy on this could change. It is advisable to plan on the basis that the transition period

will expire on 31 December 2020, but in July this will be known with reasonable certainty.

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3. After the UK has left the EU – the end of the transition period

Once the transition period ends, EU law will cease to apply in the UK. The UK will no longer be a participant in EU intellectual property systems, and Registered Community Designs will cease to have effect in the UK.

The UK IPO has published guidance about what will happen at that time, which is updated from time to time:

<https://www.gov.uk/guidance/changes-to-eu-and-international-designs-and-trade-mark-protection-after-the-transition-period>

The required legislation has been made as “The Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019”, and can be read here:

<https://www.legislation.gov.uk/ukdsi/2019/9780111180037/contents>

Basically, if a design is protected as a Registered Community Design, or an EU designation in an international design, then the UK will automatically and free of charge provide a corresponding UK national design registration, with the same subject matter and effective filing and priority dates. No action is required from the right holder, but the right holder can opt out of receiving the UK registration if they wish. Renewal fees must be paid to the UK IPO, on the same schedule as the Registered Community Design, in order to maintain protection in the UK.

The numbering system for these automatically granted rights has been decided, and it corresponds to the existing Registered Community Design (RCD) number (including the 4-digit suffix identifying the design number within a registration) prefixed by “9”. Thus RCD 004048098-0004 will give rise to UK registered design number 90040480980004. (The numbering system for the corresponding UK registration from an International design registration designating the EU has not yet been announced.)

In the case of pending applications, however, a corresponding UK application or registration is **not** given automatically or free of charge. Instead, the applicant will have the right to file a corresponding UK design application within 9 months from the end of the transition period, that is by 1 October 2021, while retaining the earlier filing and priority dates of the Registered Community Design or International application. The usual application fees in respect of such applications must be paid to the UK IPO. In this context, “pending” applications include, in addition to applications which have not been registered by the EU IPO or WIPO:

1)Registered Community Designs where deferment of publication was requested and which remain unpublished at the end of the transition period; and

2)International design registrations designating the EU less than 6 months from the publication date by WIPO in respect of which the EU IPO has not communicated to WIPO that protection has been granted.

Clearly, it is much more advantageous to the rights holder to have by the end of the transition period a registered EU right, whereby a UK right is obtained automatically and free of charge, compared with a pending EU application, which involves significant cost and effort to obtain the corresponding UK protection. This is the main consideration that informs the recommended strategy during the transition period, as set out later in this article.

4. Deferred publication

The UK system for registered designs is similar to the EU IPO system in many respects. For example, there is no substantive examination, online filing is possible, and multiple design applications are permitted. One important difference however is deferment of publication. The EU IPO permits the registration of designs with deferment of publication for up to 30 months from the priority date. The UK IPO however has a different system, wherein registration itself can be deferred, but only for 12 months from the filing date. Since publication occurs at registration, this effectively allows deferment of publication for up to 12 months from the filing date.

If in the 9 month period from the end of the transition period a UK design application is filed (according to the procedure set out in the previous section of this article) with a request for deferment of registration based on a Registered Community Design that is subject to deferred publication, registration and publication of the UK design application will happen at the earlier of (a) the expiry of the deferment period at the EU IPO or (b) 12 months from the actual date of filing of the corresponding UK design application.

5. Strategy during and after the transition period

The recommended strategy to be employed by current users of the Registered Community Design system, such as those based in Japan, is a little different depending on whether currently those users prefer to use the International Registration system under the Hague agreement, or whether it is preferred to file direct applications at the EU IPO (possibly claiming priority from an earlier filing under the Paris Convention).

5.1 Obtaining protection in Europe using direct applications

Users of the Registered Community Design system who currently apply for registration directly at the EU IPO are recommended to continue to apply in the EU only until the end of the transition period. There is no real advantage to applying for separate UK registrations in the meantime (so-called “double filing”) – the EU registration will cover the UK until the end of the transition period, and a UK right will be given immediately after that. The EU IPO registers applications extremely quickly, and so an application filed well before the end of the transition period will almost certainly be registered by the end of the transition period. Some applicants have been “double filing” already, but this involves significant extra cost for no real benefit, and so it is not recommended.

The main source of delay in registration of applications is delay by the applicant in filing a certified copy of the priority application, if priority is claimed. The time limit for filing the certified copy is 3 months from the filing date. For applications filed close to the end of the transition period, applicants will need to provide the certified copies sooner than this in order to secure registration before the end of the transition period. Ideally, the certified copy should be submitted on filing – it can conveniently be filed as a scan of the paper document.

Even very close to the end of the transition period, it is probably more convenient to file the EU application alone, and then file a UK application, if needed, during the nine-month period following the end of the transition period. So double filing of EU and UK applications at the same time should rarely if ever be required.

In the case of Registered Community Designs that will be under deferred publication at the end of the transition period, if it is desired to maintain the secrecy of the design, then again it is better to file a corresponding UK application during the 9-month period following the transition period, because that will maximise the possible period before the UK application is registered and published.

On the other hand, it may be that there are some Registered Community Designs under deferred publication where the owner no longer needs to keep the design secret, for example because the design has been made public by another route in the meantime. It is recommended to review any portfolio of designs under deferred publication so that publication is requested in advance of the end of the transition period where secrecy is no longer required. Thus, the automatic corresponding UK right can be obtained.

After the end of the transition period, applicants will need to file separate EU and UK applications in order to secure design protection in each jurisdiction.

5.2 Obtaining protection in Europe using the Hague system

In the case of applicants who currently use the Hague system for obtaining registered design protection in Europe, the recommendation is quite different. It is suggested **NOT** to rely on obtaining the corresponding automatic UK right, as this will be a national registration, not a designation within the Hague registration. (The advice mentioned above in Section 3 from the UK IPO states “The IPO and WIPO are discussing options that will ensure rights holders do not lose protection in the UK for their internationally protected EU designations on 1 January 2021” and it is conceivable that an agreement might be reached to make the UK right a designation in the Hague registration, but it is doubtful that a legally and technically operable system could be achieved by WIPO in time. In any case, the 2019 Regulations provide for a UK national right). So the UK right must be renewed separately, it cannot be renewed within the international registration.

Applicants use the Hague system in order to obtain protection in multiple territories that can be maintained with a single renewal fee payable to WIPO. The corresponding UK registration arising at the end of the transition period from an International registration designating the EU will lie outside this system, so the proprietor will have an International registration protecting many jurisdictions, and then a separate UK national registration that will need to be maintained by paying renewal fees separately to the UK IPO. This runs contrary to the rationale for using the Hague system, and is quite inconvenient for the proprietor.

The UK has been an independent member of the Hague system for international registration of designs since 13 June 2018. It is recommended that users of this system who wish protection in Europe designate the UK in addition to the EU (which we may call “double designation”), starting immediately (if they are not already doing so). The additional fee involved is very small, and a separate UK designation ensures continued protection in the UK as part of the International registration even after the end of the transition period, that can be maintained in force by payment of renewal fees for the International registration only.

When an International registration designates the EU, a corresponding UK national right will arise at the end of the transition period, even if the International registration designates the UK as well. Thus, in principle, if the International registration designates the EU and the UK, at the end of the transition period the proprietor will have two essentially identical rights covering the UK – the UK designation of the International registration and a UK national right. In this situation, the UK national right will not be needed, and users can either opt out of receiving this, or can allow it to lapse at the time of payment of the first renewal fee by non-payment of the fee.

It is stressed that if users of the Hague system do not designate the UK separately from

the EU in International design applications at the present time during the transition period, the proprietor of the International design application or registration designating the EU only can still obtain protection in the UK at the end of the transition period according to the procedures set out above in Section 3 (either a corresponding UK registration is given or the applicant has the right to file a corresponding UK application), but the proprietor cannot obtain this protection as part of the International registration. The recommendation for “double designation” is a matter of convenience for the proprietor, not a danger of loss of protection in the UK.

5.3 Further considerations on using the Hague system

Some applicants are reluctant to use the Hague system at all, and this is understandable. It is difficult to produce a set of representations of a design that will be accepted by every Office, and it may result in suboptimal protection in some countries, and refusal of protection in others. Even if objections in a notification of refusal of protection are overcome, the need to respond to objections raised by national offices involves worry and expense, which rather defeats the purpose of using the international registration system at all.

Both the UK IPO and the EU IPO are very strict about the concept that all the representations relate to the SAME design. This means that if the international registration contains, for example, reference views that show features differently from the main views, objections are likely to be encountered. The Hague system may not be suitable in all cases.

6. Conclusion

In summary, therefore, the advice is:

- Users of the Hague system should designate the UK in addition to the EU starting immediately, and it is suggested that they opt out of receiving the corresponding automatic UK national right.
- Direct filers at the EU IPO should file in the EU only until the end of the transition period. After the end of the transition period it will be necessary to file in the UK separately for new applications and in respect of any Registered Community Designs that were not registered (or on which publication was deferred) when the transition period ended.

It is regrettable that users of the EU design system are faced with additional concerns as a result of Brexit. However, the action to be taken in respect of design protection is not complex, and it is hoped that applicants will not be worried unnecessarily.