

UNITED KINGDOM: DRAFT STATUTORY INSTRUMENT PROVIDING FOR CONTINUED PROTECTION IN THE UNITED KINGDOM TO DESIGNATIONS OF THE EUROPEAN UNION UNDER THE MADRID SYSTEM IN CASE OF A NO-DEAL BREXIT

1. The Government of the United Kingdom (UK) has published a draft statutory instrument providing for, amongst other things, continued protection in the UK to marks in international applications and registrations under the Madrid System in which the European Union (EU) has been designated. The draft statutory instrument still needs to be approved by the UK Parliament. If approved, the solutions provided for in the draft statutory instrument would only come into effect on a day the UK effectively leaves the EU (exit day) where the UK leaves the EU without a deal.

2. While there are ongoing negotiations between the UK Government and the EU concerning a possible Brexit deal, the International Bureau of the World Intellectual Property Organization (WIPO) is making available information on the solutions provided for in the above-mentioned draft statutory instrument, so users of the Madrid System are aware of the way in which their rights would be preserved in the UK, and, in particular, to alert them to any action they would need to take to safeguard their rights in the UK in the event the UK leaves the EU without a deal.

3. In general terms, the solutions provided in the draft statutory instrument would result in a new independent UK right which would benefit from the date of the earlier designation of the EU. This new independent UK right would be governed exclusively by UK law; that is, it would no longer be governed by the Madrid Protocol.

4. However, in most cases, holders could regain the advantages provided for by the centralized management features of the Madrid System by subsequently designating the UK in their international registrations, which would then replace their newly independent UK rights.

5. The draft statutory instrument covers the following four scenarios:

I. DESIGNATIONS OF THE EU IN WHICH THE MARK IS PROTECTED BEFORE EXIT DAY

6. For each designation of the EU in which the mark is protected before exit day, the Office of the UK (UKIPO) will automatically create a new UK registration at no cost. This new UK registration will be governed by UK law and will be independent from the international registration.

7. The newly created UK registration can be replaced by the corresponding international registration, provided the holder subsequently designates the UK after exit day. In such case, it is advisable that the holder request that UKIPO take note of replacement in the UK Register, in accordance with Article 4*bis*(2) of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the Madrid Protocol).

II. DESIGNATIONS OF THE EU PENDING BEFORE EXIT DAY

8. For each designation of the EU pending before exit day (i.e. neither protected nor refused in the EU), the holder will have nine months from exit day to file an application for the registration of the mark in the UK. That application will benefit from the date of the pending designation of the EU and, where applicable, from any priority claim.

9. The UK registration that results from this application can also be replaced by the corresponding international registration by subsequently designating the UK.

10. Instead of filing an application in the UK, holders who anticipate their designations of the EU will still be pending before exit day can subsequently designate the UK as soon as possible to continue benefiting from the centralized management features of the Madrid System. However, in this case, the subsequent designation of the UK will not benefit from the date of the pending designation of the EU.

III. PENDING TRANSFORMATION APPLICATIONS FILED WITH EU BEFORE EXIT DAY

11. Transformation applications are those filed with the Offices of the designated Contracting Parties, under Article 9*quinquies* of the Madrid Protocol, where the international registration has been cancelled at the request of the Office of origin due to the ceasing of effect of the basic mark.

12. For each pending transformation application filed with the EUIPO before exit day, the holder will have nine months to file an application for the registration of the mark in the UK and that application will benefit from the date of the designation of the EU in the cancelled international registration and, where applicable, from any priority claim.

IV. PROVISIONS FOR INTERNATIONAL REGISTRATIONS WHICH EXPIRE WITHIN SIX MONTHS BEFORE EXIT DAY

13. For each designation of the EU in international registrations that expired within six months before exit day and for which the mark is protected, UKIPO will automatically create a new UK registration at no cost.

14. However, this new UK registration will be treated as expired until the holder notifies the UKIPO that the international registration was renewed. That notification must be made within nine months from exit date. The UK registration will no longer be treated as expired as from the date of the notification. This UK registration can also be replaced by the corresponding international registration.

15. For the benefit of the users of the Madrid System, the International Bureau has prepared the following Annex, which explains each of the above-mentioned scenarios in more detail, as well as the possibility to replace the UK registration with the corresponding international registration by subsequently designating the UK.

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16. The draft statutory instrument is available at:
<https://www.legislation.gov.uk/ukdsi/2019/9780111180037/contents>.

17. The UKIPO has prepared an explanatory memorandum to the draft statutory instrument, which is available at:
<https://www.legislation.gov.uk/ukdsi/2019/9780111180037/memorandum/contents>.
The explanatory memorandum describes the general effect of the draft statutory instrument and its impact.

18. The UKIPO has published a business guidance document on the draft statutory instrument, which is available on its website at:
<https://www.gov.uk/government/publications/changes-to-design-and-trade-mark-law-if-the-uk-leaves-the-eu-without-a-deal>.

March 22, 2019

[Annex follows]

ANNEX: UNITED KINGDOM'S NO-DEAL BREXIT SOLUTION FOR DESIGNATIONS OF THE EUROPEAN UNION UNDER THE MADRID SYSTEM

I. DESIGNATIONS OF THE EU IN WHICH THE MARK IS PROTECTED BEFORE EXIT DAY

(i) Getting a UK Comparable Trade Mark

1. If the mark in your international registration (IR) was protected in the EU¹ before exit day, the UKIPO will automatically create a new UK registration for your mark at no cost. This new UK registration will be known in the UK as a *Comparable Trade Mark*. Your *Comparable Trade Mark* will cover the goods and services for which your IR was protected in the EU.

2. As from exit date, your *Comparable Trade Mark* will not be governed by the Madrid Protocol. It will be governed by the UK Trade Marks Act 1994.

3. Please, note that the UKIPO will issue a general notice but will neither notify you nor send you a certificate for your *Comparable Trade Mark*. However, you will be able to search for your mark on the UK Government's Website at: <https://www.gov.uk/search-for-trademark>.

4. Your *Comparable Trade Mark* will benefit from any relevant priority claimed in your international application, provided that claim applied to your designation of the EU, and from any EU seniority claim made in respect of the UK.

5. Licenses, security interests and, in general, rights granted in respect of your IR, to the extent that they covered the UK, will continue to have effect in respect of your *Comparable Trade Mark*. Likewise, injunctions in force in the UK in respect of your IR will continue to have effect and be enforceable in respect of your *Comparable Trade Mark*.

(ii) Filing, Completion and Registration Dates of Your UK Comparable Trade Mark

6. If you designated the EU in your international application, the date of filing and of registration of your *Comparable Trade Mark* will be the date of your IR. However, if you subsequently designated the EU, the date of filing and of registration of your *Comparable Trade Mark* will be the date of that subsequent designation.

7. For example, if your IR is dated February 1, 2010, and you designated the EU in your international application, that date will also be the date of filing and of registration attributed to your *Comparable Trade Mark*.

8. However, in the example above, if you did not designate the EU in the international application and your subsequent designation of the EU is dated February 1, 2015, this date, and not the date of your IR, will be the date of filing and of registration attributed to your *Comparable Trade Mark*.

9. The date of completion of the registration procedure of your *UK Comparable Trade Mark* will be the date of publication in the EUIPO Bulletin of the fact that protection to the mark in the IR was not refused by the EUIPO or, if refused, the EUIPO withdrew such refusal.

10. These dates are important for the management of your *UK Comparable Trade Mark*.

¹ Protection is considered granted as from date of publication in the EUIPO Bulletin of the international registration in accordance with Article 190(2) EUTMR (Section M3 of the EUIPO Bulletin).

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(iii) Getting Several UK Comparable Trade Marks Corresponding to One IR

11. If you have designated the EU more than once in your IR (e.g. in the application and subsequently), UKIPO will create one *Comparable Trade Mark* for each designation that has been protected in the EU.

12. Each of those *Comparable Trade Marks* will be attributed a distinct date of registration.

13. For example, if your IR is dated February 1, 2010, you designated the EU in your international application, for some goods, and also in a subsequent designation, for other goods, dated February 15, 2015, you will have two *Comparable Trade Marks*: one of them dated February 1, 2010, and the other one dated February 15, 2015.

(iv) Replacing Your UK Comparable Trade Mark with Your IR

14. To continue taking advantage of the centralized management features of the Madrid System, you can replace your *Comparable Trade Mark* with your IR by subsequently designating the UK.

15. On or at any time after exit day, you can subsequently designate the UK in the IR that relates to your *Comparable Trade Mark*, for the goods and services protected in the UK. Your *Comparable Trade Mark* will be deemed replaced by your IR.

16. In such case, it is advisable that you request the UKIPO to take note in the UK Register of the IR that has replaced your *Comparable Trade Mark*. More information on how to replace your *Comparable Trade Mark* with your IR is provided below, in paragraphs 53 to 59.

(v) Renewing Your UK Comparable Trade Mark

17. You must renew your *Comparable Trade Mark* directly with the UKIPO before the expiry of the next tenth-year anniversary counted from the date of registration attributed to your *Comparable Trade Mark*.

18. For example, if your IR is dated February 1, 2010, and you designated the EU in your international application, that date will be the date of registration of your *Comparable Trade Mark* and you will have to renew it directly with the UKIPO before February 1, 2020 (i.e. both your IR and your *Comparable Trade Mark* will have the same renewal date).

19. However, in the example above, if you did not designate the EU in the international application and your subsequent designation of the EU is dated February 15, 2015, that date will be the date of registration of your *Comparable Trade Mark* and you will have to renew it directly with the UKIPO before February 15, 2025.

20. Moreover, in the same example, if you designated the EU both in the international application and subsequently, you will have to renew two *Comparable Trade Marks* directly with the UKIPO: one of them before February 1, 2020, and the other one before February 15, 2025.

21. Under the UK Trade Marks Act 1994, you will also be allowed to renew your *Comparable Trade Mark* within a grace period of six months from its expiry date by paying a surcharge.

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22. Exceptionally, if your *Comparable Trade Mark* expires within six months following exit day, you can renew it before, on or within six months after its expiry date without incurring an additional late renewal fee. Moreover, if you fail to renew it, the UKIPO will send you, or your WIPO-recorded representative, a notice giving you a further period of six months, from the date of that notice, to renew your *Comparable Trade Mark*.

23. Finally, your *Comparable Trade Mark* may be the subject of restoration in accordance with the UK Trade Marks Act 1994, where it has not been renewed and it has been removed from the UK Register.

(vi) Collective and Certification Marks

24. If your mark is a collective or certification mark, where appropriate, for example if your mark is attacked, you will be required to submit directly to the UKIPO a copy of the regulations that govern the use of your mark. The UKIPO will notify you, or your WIPO-recorded representative, and indicate, in that communication, the time-limit that you will have to comply with this requirement.

(vii) Genuine Use and Reputation of the Mark in Your UK *Comparable Trade Mark*

25. Genuine use in the UK of the mark in your *Comparable Trade Mark*, within a given period in relation to certain events, is required under the UK Trade Marks Act 1994. That period, or part of that period may fall before exit day. In such case, genuine use of your mark in the EU during the period, or the part of the period, that falls before exit day will be deemed to include the UK.

26. For example, under the Trade Marks Act 1994, a trade mark registration may be revoked where, within the period of five years following the date of completion of the registration procedure, the trade mark has not been put to genuine use in the UK, by the proprietor or with the proprietor's consent. In that example, genuine use of your trade mark in the EU will be deemed to include the UK during the period falling between the date of completion of the registration procedure attributed to your *Comparable Trade Mark* (see above) and exit date.

27. Please, be aware that genuine use in the EU will not be sufficient if the relevant genuine use period falls entirely after exit day. In such case, genuine use in the UK will be required.

28. Similarly, where the reputation of the mark in your *Comparable Trade Mark* needs to be considered in respect of any time before exit day, that reputation will be assessed in respect of the EU.

(viii) Opting-out from Obtaining a *Comparable Trade Mark*

29. You can opt-out from obtaining a *Comparable Trade Mark* by sending a notice to the UKIPO on or at any time after exit day. However, you cannot opt-out if your mark has been used in the UK, by you or with your consent; is the subject of an assignment, a license, a security interest or other agreement, except for assent by personal representative; or, is the subject of proceedings, by you or with your consent.

30. In your notice, you must indicate the names of all the persons who, to your knowledge, have an interest in your mark and certify that such persons have been given no less than three months' notice of your intention to opt-out or that they consent to your opting-out.

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31. Please, be aware that you must opt-out for all *Comparable Trade Marks* that relate to one IR.

32. Once you have given opt-out notice, the UKIPO will remove your *Comparable Trade Mark* from its Register and your *Comparable Trade Mark* will be treated as if it had never been registered under UK law.

(ix) Revocation and Invalidity in Relation to Seniority Claims

33. Where the UK registration on which an EU seniority claim in your *Comparable Trade Mark* is based has lapsed or been renounced, any person can request that the UKIPO or the courts declare that such UK registration would have been liable to be revoked, with effect prior to the date attributed to your *Comparable Trade Mark*, or declared invalid.

34. In such case, your seniority claim would be treated as if it had never had effect.

(x) Corrections in the International Register

35. Where the English version of the IR to which your *Comparable Trade Mark* relates has been corrected in the International Register, any person with legitimate interest can request that your *Comparable Trade Mark* be amended in the UK Register accordingly.

II. DESIGNATIONS OF THE EU PENDING ON EXIT DAY

(i) Filing a UK Application Claiming the Date of a Pending EU Designation

36. If you have an EU designation pending on exit day, you can file an application for the registration of your mark in the UK and benefit from an earlier, so-called, precedence date if:

- you designated the EU (either in an international application or in a subsequent designation) before exit day;
- the EUIPO has neither granted nor refused protection (pending EU designation) before this day; and,
- you file an application with the UKIPO for the registration of your mark in the UK within nine months counted from exit day.

37. In such case, the precedence date of your application for the registration of your mark in the UK will be the date of your international application or of the subsequent designation of the EU, as the case may be, or the date of the priority claimed in your international application, provided that claim applied to the designation of the EU.

38. You can also benefit from any seniority relevant to the UK claimed in your pending EU designation. Such claim can also be the subject of a declaration of liability of revocation or invalidity (please, see above).

(ii) Subsequently Designating the EU in Your IR

39. If you anticipate that your designation of the EU will still be pending immediately before exit day (i.e. neither granted nor refused in the EU) and you want to take immediate advantage of the centralized management features provided for in the Madrid System, you could subsequently designate the UK in your IR as soon as possible (instead of filing a UK application claiming the date of the EU designation).

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40. However, you should only do the above if the precedence date of the EU designation is not important to you because, if you simply subsequently designate the UK, that subsequent designation would not benefit from the date of the earlier designation of the EU.

41. If the precedence date is important to you, you should first file a UK application claiming the date of the EU designation. To continue taking advantage of the centralized management features of the Madrid System, once your application has resulted in a UK registration, you can replace it with your IR by subsequently designating the EU, as explained in paragraphs 53 to 59, below.

(iii) Replacing a UK Registration Resulting from an Application in Which the Date of a Pending EU Designation Was Claimed

42. Your UK registration resulting from an application in which the date of a pending EU designation was claimed can be replaced by your IR. On or at any time after the mark has been entered in the UK Register, you can subsequently designate the UK in your IR. Your UK registration will be deemed replaced by your IR.

43. In such case, it is advisable that you request the UKIPO to take note in the UK Register of the IR that has replaced your UK registration. More information on how to replace your UK registration with your IR is provided below, in paragraphs 53 to 59.

III. PENDING TRANSFORMATION APPLICATIONS WITH THE EUIPO BEFORE EXIT DAY

44. If you have filed an application with the EUIPO for the registration of your mark in accordance with Article 9*quinquies* of the Madrid Protocol (a transformation application)², you can file an application for the registration of your mark in the UK and benefit from an earlier, so-called, precedence date if:

- the mark in your cancelled IR was either granted protection or not refused in the EU;
- you filed your transformation application before exit day;
- the EUIPO has neither granted nor refused your transformation application before this day; and,
- you file an application with the UKIPO for the registration of your mark in the UK within nine months counted from exit day.

45. In such case, the precedence date of your application for the registration of your mark in the UK will be the date of your cancelled international registration or of the subsequent designation of the EU, as the case may be, or the date of the priority claimed in your international application, provided that claim applied to the designation of the EU.

² Under Article 9*quinquies* of the Madrid Protocol, the holder of an international registration that was cancelled at the request of the Office of origin due to the ceasing of effect of the basic mark, may file an application with the Offices of the designated Contracting Parties within three months from the date on which the international registration was cancelled. An application filed by virtue of said Article will be treated as filed on the date of the international registration or of the subsequent designation of the Contracting Party concerned and will benefit from any priority claimed in the international application, to the extent that such claim had effect in that Contracting Party.

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46. You can also benefit from any seniority relevant to the UK claimed in your cancelled IR. Please, be aware that such claim can also be the subject of a declaration of liability of revocation or invalidity (please, see above).

IV. DESIGNATIONS OF THE EU IN INTERNATIONAL REGISTRATIONS WHICH EXPIRE DURING A PERIOD OF SIX MONTHS ENDING WITH EXIT DAY

(i) Comparable Trade Mark Resulting from an Expired IR

47. If you have an IR protected in the EU which expired within a six-month period ending with exit day, but has not been renewed by this day, you will obtain a *Comparable Trade Mark*. However, it will be entered in the UK Register as expired.

48. In such case, if you renew your IR with WIPO on or after exit day, you must notify the UKIPO (renewal notice) within nine months counted from exit day. Once you provide the said renewal notice to the UKIPO, your *Comparable Trade Mark* will no longer be treated as expired.

49. In addition, depending on the registration date attributed to your *Comparable Trade Mark*, you may also need to renew it shortly after you provide the said renewal notice to the UKIPO. Please, see below for further details.

50. Your *Comparable Trade Mark* resulting from an expired IR can be replaced by your IR, after you have renewed it, by subsequently designating the UK. More information on how to replace your *Comparable Trade Mark* with your IR is provided below in paragraphs 53 to 59.

51. If you fail to give the UKIPO the above-mentioned renewal notice within the said nine-month period, the UKIPO will remove your *Comparable Trade Mark* from the UK Register.

(ii) Period of Validity of Your Comparable Trade Mark Which Resulted from an Expired IR

52. After you have provided the above-mentioned renewal notice to the UKIPO, the remaining period of validity and the renewal of your *Comparable Trade Mark* that resulted from an expired IR would be determined according to the following:

Case 1:

Where you designated the EU in your international application, upon receipt of the above-mentioned renewal notice, the UKIPO will automatically renew your *Comparable Trade Mark* for a ten-year period.

Case 2:

Where you subsequently designated the EU, and the date of expiry of your *Comparable Trade Mark* falls between the date on which your IR expired and the date of your renewal notice to the UKIPO, the UKIPO will automatically renew your *Comparable Trade Mark* for a ten-year period.

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Case 3:

Where you subsequently designated the EU, and the date of expiry of your *Comparable Trade Mark* falls within six months after the date of your renewal notice to the UKIPO, you will be allowed to renew your *Comparable Trade Mark* before, on or within six months after its renewal date without incurring an additional late renewal fee. Moreover, if you fail to renew it, the UKIPO will send you, or your WIPO-recorded representative, a notice giving you a further period of six months, from the date of that notice, to renew your *Comparable Trade Mark (IR)*.

Case 4:

Where you subsequently designated the EU, and the date of expiry of your *Comparable Trade Mark* falls beyond six months after the date of your renewal notice to the UKIPO, you must renew your *Comparable Trade Mark* before it expires.

V. REPLACING YOUR UK REGISTRATION WITH YOUR IR

53. As indicated above, your *Comparable Trade Mark* and your UK registration claiming the date of a pending EU designation can be replaced by your IR.

54. Under Article 4*bis* of the Madrid Protocol, a domestic (national or regional) registration is deemed replaced by an IR where:

- both, the international and domestic registrations, are for the same mark and stand in the name of the same person;
- the goods and services listed in the IR cover those in the domestic registration; and,
- the designation of the Contracting Party concerned takes effect after the date of the domestic registration.

55. Accordingly, after exit day, you can subsequently designate the UK in your international registration for the goods and services protected in the UK. Following this, your IR will be deemed to replace your *Comparable Trade Mark*. For UK applications claiming the date of a pending EU designation, it would be advisable to wait until that application has resulted in a UK registration before subsequently designating the UK.

56. Please note that your *Comparable Trade Mark* is a fully-fledged registered right in the UK, while your subsequent designation of the UK would have, according to Article 4(1)(a) of the Madrid Protocol, the effect of an application filed with the UKIPO.

57. Accordingly, the UKIPO will process subsequent designations of the UK as an application filed in the UK and that, in some cases, this may result in an *ex-officio* provisional refusal, based on absolute grounds under UK law, or in a provisional refusal based on opposition against the mark in your international registration.

58. Where replacement has occurred, it is advisable that you request the UKIPO to take note of it in the UK Register, in accordance with paragraph (2) of Article 4*bis* of the Madrid Protocol. You can find information on the requirements to make this request in the Madrid Member Profiles Database, available at:

<https://www.wipo.int/madrid/memberprofiles/#/result?countries=9211&datafields=9638>.

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59. Please, be aware that replacement will not be possible for UK registrations claiming a pending transformation application with the EUIPO because, in such case, the IR concerned would have been cancelled due to the ceasing of effect of the basic mark (please, see above).

[End of Annex and of document]