

Trade Marks: Law and Practice

Fifth Edition

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A CIP Catalogue record for this book is available from the British Library.

ISBN 978-1-7847-3426-8



ISBN for the set: 9781784734268

Printed and bound by Hobbs the Printers, Hampshire SO40 3WX

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An excerpt from Chapter 17

BREXIT AND COVID-19

BREXIT

History, referendum

17.14 As noted in 13.3, on 23 June 2016 a referendum of UK citizens resulted in a 52:48 (approximate %) vote for the UK to leave the EU. In view of the Government's earlier pledge to honour the result, it was treated as 'politically and democratically binding'¹. Notice was given to quit the EU under Art 50 TFEU on 29 March 2017, after the UK Supreme Court had held that the Government required authority from Parliament to serve such notice². The referendum was followed by a long period of negotiation and political dissension. In total, there were three extensions of time under Art 50 at the request of the UK, two Parliamentary elections, and an attempt by the government of Prime Minister Boris Johnson to prorogue (suspend) Parliament. This last was scotched by the UK Supreme Court³; the court's judgment contains a valuable summary of events and legislation to that point⁴.

¹ *R (on the application of Miller) (Appellant) v The Prime Minister (Respondent), Cherry and others (Respondents) v Advocate General for Scotland (Appellant) (Scotland)* [2019] UKSC 41 at [7].

² *R (Miller) v Secretary of State for Exiting the European Union* [2017] UKSC 5, [2018] AC 61.

³ *R (on the application of Miller) (Appellant) v The Prime Minister (Respondent), Cherry and others (Respondents) v Advocate General for Scotland (Appellant) (Scotland)* [2019] UKSC 41.

⁴ [2019] UKSC 41 at [7]–[14].

17.15 Negotiators for the UK and EU worked on proposals, resulting in a long and detailed Withdrawal Agreement¹, with an extendible transition or 'implementation' period until the end of 2020. However, this was only finalised and accepted by the UK Parliament in late 2019, s 13 of the European Union (Withdrawal) Act 2018 having required Parliamentary approval.

¹ Several agreements were rejected by the UK Parliament; the final text can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840655/Agreement_on_the_withdrawal_of_the_United_Kingdom_of_Great_Britain_and_Northern_Ireland_from_the_European_Union_and_the_European_Atomic_Energy_Community.pdf.

17.16 Key domestic legislation takes the form of the European Union (Withdrawal) Act 2018¹, which provided for the repeal of the European Communities Act 1972². The European Union (Withdrawal) Act 2018 was amended by the European Union (Withdrawal Agreement) Act 2020³, which in turn provided for ratification of the Withdrawal Agreement.

¹ 2018 c 16. The EU (Withdrawal) Act 2019 and the EU (Withdrawal) (No 2) Act 2019 dealt with extensions of time for the UK's notice to withdraw under Art 50 TFEU.

² Section 1. As noted in the explanatory note to s 1 (note 74), the 1972 Act gave effect to EU law in the UK and gave 'EU law supremacy over UK domestic law. The main effects of repealing the [1972] Act are to reflect the end of supremacy of EU law in domestic law and to remove the mechanism which enabled the flow of new EU law into UK law'.

³ 2020 c 1.

17.17 *Brexit and Covid-19*

Formal exit and the implementation period

17.17 The UK's exit from the EU ('Brexit') took place on 31 January 2020 ('exit day' in the 2018 Act, which had been postponed several times). The UK enjoyed a transitional period with little change until the end of 2020, during which EU law continued to apply in and to the UK¹. For trade marks, it was largely 'business as usual'². For litigation, during the implementation period, EU rules on jurisdiction, service of documents, applicable law, the taking of evidence and enforcement of judgments continued in force³. The option to extend the implementation period under Art 132 of the Withdrawal Agreement was not triggered before the deadline of 1 July 2020. Further negotiations as to the future relationship between the UK and the EU were ongoing at the time of writing, and it is not at all clear that a further agreement will be achieved. Matters largely unrelated to trade marks such as fisheries, state aids⁴ and the status of Northern Ireland⁵ were major sticking points. On 9 September 2020, the Government introduced the United Kingdom Internal Market Bill⁶, Pt 5 of which might be used to modify arrangements with the EU on Northern Ireland made by Protocol to the Withdrawal Agreement.

¹ Withdrawal Agreement, Art 127, unless otherwise provided in that Agreement. Sections 1 and 2 of the European Union (Withdrawal Agreement) Act 2020 inserted new ss 1A and 1B into the European Union (Withdrawal) Act 2018, to keep EU law operating despite repeal of the European Communities Act 1972 on exit day.

² See <https://www.cipa.org.uk/policy-and-news/brexit-updates/practice-guidance-on-the-transition-period-in-the-withdrawal-agreement-trade-marks/>.

³ Brussels Regulation (Recast) EU 1215/2012 on civil jurisdiction and judgments; Service Regulation EU 1393/2007; Taking of Evidence Regulation EU 1206/2001; Rome Regulation (EC) 593/2008 on the law applicable to contractual obligations ('Rome I'); Rome Regulation (EC) No 864/2007 on the law applicable to non-contractual obligations ('Rome II').

⁴ The State Aid (EU Exit) Regulations 2019 remain in draft: ISBN 978-0-11-117876-8.

⁵ As MacLennan points out, possible solutions on the UK Customs relationships are constrained by the WTO's 'most-favoured-nation' mechanism, and the prohibition on members of the European Free Trade Association from entering into Customs Unions: S MacLennan 'Trade in goods after Brexit' [2020] Cov LJ 11–22.

⁶ See <https://services.parliament.uk/Bills/2019-21/unitedkingdominternalmarket.html>.

17.18 Commencement of legislation and of mechanisms that been prepared for the event of no deal with the EU was postponed until the end of the implementation period, giving time for further negotiation of the future UK-EU relationship.

What UKIPO and other interested parties say

17.19 On 28 October 2020, the UKIPO issued this summary:

- <https://www.gov.uk/government/news/intellectual-property-after-1-january-2021>.

Guidance from WIPO and the European Commission relating to Brexit:

- https://www.wipo.int/madrid/en/news/2020/news_0015.html.
- https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_104.

THE TRADE MARK LANDSCAPE POST-2020

17.20 The following assumes that no further agreement is reached, either as to the UK's long-term relationship with the EU, or for an ad hoc extension to the transition period. The agreement with the EU will remain binding as a matter of international law. As a matter of domestic law, it will be given effect through the European Union (Withdrawal Agreement) Act 2020, unless further domestic legislation is passed by Parliament. Saved EU law and legislation originally prepared for a no-deal exit will come into effect on 'IP (implementation period) completion day', rather than on exit day¹. Three main areas can be identified – the situation within the UK, that within the EU (minus the UK) and international and cross-border issues.

¹ Sections 26 and 27 of the 2020 Act.

Within the UK

17.21 Directly effective EU legislation will in the main be retained as part of UK domestic law. Thus the content of Regulations will continue to apply but Directives will no longer be binding, save as transposed into UK law.

Key sources

17.22 *UK-EU Withdrawal Agreement*, ratified by the European Union (Withdrawal Agreement) Act 2020. Of especial interest in the Agreement is Title IV: Intellectual Property, comprising:

- Article 54 – 'continued protection in the United Kingdom of registered or granted rights', which applies to EU Trade Marks, Community Designs, Plant Variety Rights and geographical indications (with provision for cancellation etc of parent right);
- Article 55 – registration procedures for corresponding rights in the UK to be automatic and free of charge, with a duty on EU offices to provide information;
- Article 56 – 'Continued protection in the United Kingdom of international registrations designating the Union' (the UK 'shall take measures');
- Article 59 – 'Right of priority . . . ' (for pending EU TM applications, etc);
- Article 61 – 'Exhaustion of rights' – rights already exhausted to remain so in both the UK and EU.

17.23 *European Union (Withdrawal) Act 2018*, as amended by the European Union (Withdrawal Agreement) Act 2020. This Act empowers the legal and practical effects of withdrawal from the EU. The following sections are particularly relevant to trade marks:

- Section 1 – repeals the European Communities Act 1972.
- Sections 2–7A retain of existing EU law (s 15 deals with its publication, and Sch 5 with rules of evidence).
- Section 8 – confers power to make Regulations to 'prevent, remedy or mitigate' failures or deficiencies of retained EU law (including redundancy).

17.23 *Brexit and Covid-19*

- Section 8A – provides supplementary powers during the implementation period¹.
- Section 9 – confers the power before exit day to make Regulations implementing the Withdrawal Agreement.

¹ Inserted by s 3 of the 2020 Act; s 4 of the 2020 Act amended Sch 2 of the 2018 Act likewise to confer powers on devolved authorities.

17.24 *The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, SI 2019/269*. This instrument was made under s 8 (not s 9) of European Union (Withdrawal) Act 2018. It provides a mechanism for the conversion within the UK of EU trade marks into comparable UK registrations. Detailed provisions may be found in its Schedules:

- Schedule 1 – lists amendments to the Trade Marks Act 1994 to give effect to ‘comparable’ trade marks under provisions formerly applying to EU trade marks in the UK;
- Schedule 2 – applies a fee structure for comparable TMs (initial creation is automatic and free)
- Schedule 3 – lists other amendments of the TMA 1994
- Schedule 4 – amends to Trade Mark Rules
- Schedule 5 – makes consequential amendments, repeals, etc

17.25 Points to note:

- ‘Retained’ EU law: directly applicable Treaty provisions and regulations will continue to apply, but not directives. However, directives which have already been transposed into national law will remain effective as such.
- The supremacy of EU law does not apply to UK legislation made after exit day, but UK law made prior to exit day will continue to be interpreted, etc, in accordance with EU law and CJEU rulings¹.
- The UK will no longer be able to refer questions of interpretation to the CJEU.
- EU TMs will no longer be effective in the UK.
- Instead, EU TMs will be automatically replaced by ‘comparable’ UK registrations.
- Geographical indications will continue to be protected in the EU².
- Unless further negotiations prove effective, the agreement with the EU will remain binding as a matter of international law.
- SIs in their current form will bite from the end of the 2020 transition period (from 11pm UK time, midnight Brussels time, on 31 December 2020).
- Pending EUTM applications will be honoured in the normal way but their coverage when granted will not extend to the UK.
- Pending International Registrations designating the EU, and thereby applying for protection in the UK, may be converted into applications for comparable registrations within the UK. This procedure is not automatic and time limits apply.
- According to Art 27 of the Withdrawal Agreement and s 12 of the 2020 Act, professional qualifications recognised under various EU rules before the end of the transitional period shall continue to be recognised.

- As between the different jurisdictions of the UK, the Civil Jurisdiction and Judgments Act 1982 will remain in force.
- Block Exemption Regulations under Art 101(3) TFEU continue effective under the UK Competition Act 1998 until expiry³.
- Transitional arrangements in the Withdrawal Agreement allow for jurisdiction rules to continue in actions already started before the end of 2020; likewise the applicable laws for contracts concluded and damage sustained pre-2021⁴.
- The UK has legislated to incorporate Rome I and Rome II mechanisms for identifying the law applicable to contractual and non-contractual obligations into UK law⁵.

¹ Section 5, EU (Withdrawal) Act 2018.

² Articles 54, 55 of the Withdrawal Agreement.

³ See 13.29 ff.

⁴ See Arts 66–68.

⁵ The Law Applicable to Contractual Obligations and Non-Contractual Obligations (Amendment etc.) (EU Exit) Regulations 2019, SI 2019/834.

Under state common law, trademarks are protected as part of the law of unfair competition. State statutes vary, but most states have either adopted a version of the Model Trademark Bill (MTB), which provides for trademark registration, or the Uniform Deceptive Trade Practices Act (UDTPA), which does not. The rules of practice governing applications for federal trademark registration are codified by the Lanham Act and under Title 37, Part 2 of the Code of Federal Regulations (CFR). The United States Patent and Trademark Office (PTO) actively examines applications for trademark registration and, Law and practice. Statutory guidance. Trade Marks Act 1994. The Trade Marks Act 1994 make up part of the trade mark legislation in the UK. From: Intellectual Property Office. Trade Mark Laws and Regulations covering issues of Relevant Authorities and Legislation, Application for a Trade Mark, Absolute Grounds for Refusal, Opposition. ICLG - Trade Marks covers common issues in trade mark laws and regulations including legislation, application, refusal, opposition and registration in 36 jurisdictions. Published: 19/04/2021. Hot off the press. ICLG.com > Practice Areas > Trade Mark Laws and Regulations 2021. Contributing editor. Nick Aries. Bird & Bird LLP. Areas of law covered include. 1. Relevant Authorities and Legislation. 2. Application for a Trade Mark. 3. Absolute Grounds for Refusal. Higher category: Property and Property law. v. t. e. A trademark (also written trade mark or trade-mark) is a type of intellectual property consisting of a recognizable sign, design, or expression which identifies products or services of a particular source from those of others, although trademarks used to identify services are usually called service marks. The trademark owner can be an individual, business organization, or any legal entity. A trademark may be located on a package, a label, a voucher