

New IP world comes into focus following the Brexit decision to leave

Global IP

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As the smoke clears and the early hysteria surrounding the referendum in favor of Britain's exit from the European Union dissipates, EU agencies have been quick to step into the void and declare that intellectual property owners do not have to worry.

Whatever the issue, and there are hundreds, everything will be worked out before Brexit.

If you are a gambler, or an inveterate optimist, you can rely on these assurances and adopt a wait-and-see approach for planning issues around British-based IP rights. If, on the other hand, you believe in a proactive approach to protecting IP rights, there are steps you should be taking now to protect those rights in Britain when Brexit occurs.

One of the greatest difficulties for owners in assuring their IP assets remain adequately protected is the lack of precedential guidance for Brexit. The only express EU treaty provision dealing with Brexit is Article 50 of the Lisbon Treaty. It does not address IP rights, specifically. It merely establishes a two-year deadline for exit once Britain files the required written notification.

IP rights for Britain as a member of the EU are governed by a diverse array of directives and regulations. Unfortunately, none of them specifically addresses the impact of withdrawal from the Union. We are in uncharted territory.

Regardless of current reports regarding potential delays in Britain's filing the required documentation to begin the exit process, there is little doubt that Brexit will occur. Since it is impossible to know what the final Brexit agreement will entail, I strongly recommend the following steps be taken to ensure the continued protection of American IP assets in Britain:

1. Make an inventory of present and future British-based IP assets.



existing and anticipated future IP assets is critical. Most significantly, such inventory should focus on whether present protection is based on British national or on European Union registration. If the latter, then hard decisions should be made now about steps to take to ensure adequate protection post-Brexit.

2. Create an issue-monitoring database.

Just as the fact of Brexit broke suddenly, with immediate economic consequences, actions to protect IP assets are anticipated to be late breaking and to result in clogged application pipelines. Being the early bird could have significant benefits when the negotiations between Britain and the EU begin to establish the effect of Brexit on each type of intellectual property right affected.

3. File national trademark and design applications now.

Those with branded goods and services marketed in Britain whose protection is based on Community Trademark or EU Community Design registrations should consider filing a covering national application. It is highly likely that present CTMs and Community Design registrations will be converted into British national marks, either through legislation or agreement with the EU.

Yet most experts expect such conversion will not be automatic. Instead, it will require, at least, the payment of additional fees. Most anticipate it will also require additional filings. The flood of potential applicants will undoubtedly delay processing times. Filing a covering national application now for critical marks and designs will ensure their uninterrupted protection.

4. Don't plan on using the unitary patent to protect new innovations.

Notwithstanding claims to the contrary, full implementation of the Unitary Patent will be seriously delayed as a result of Brexit. Under current plans, a Unitary Patent would secure community-wide rights in the EU, upon a single filing, without the need for additional translations or additional domestic opposition procedures.

A new Unified Patent Court established simultaneously with the Unitary Patent would ensure more uniform enforcement of patent rights by subjecting all Unitary Patents to the same processes and procedures.

Under the current agreement, the UPC cannot be established without Britain's express ratification of the agreement. There are procedures in place that would allow the replacement of Britain with Italy, the current fourth-place holder for patent verifications in the EU.

This substitution will undeniably slow the effective date of both the Unitary Patent and the UPC. It is too early to tell what impact the lack of availability of an English language-based court proceeding will have on the ultimate growth of the UPC.



Britain has been a notable advocate for stronger protection against digital piracy. Its courts have upheld website blocking as an acceptable method for reducing digital piracy (*Twentieth Century Fox v. British Telecommunications*). Their approach has been accepted as an appropriate balance between privacy rights and IP enforcement in the EU (*UPC Telekabel Wien GmbH v. Constantin Film Verleih GmbH*, Case C-314/12).

Brexit guarantees that any influence that Britain may have had on EU law in areas such as IP enforcement choices and image rights (right of publicity) will be significantly reduced. Britain will no longer be a fellow club member, but simply another country whose precedents might be considered in future decisions. The impact of this revised status will be subtle, but it will undoubtedly affect forum selection over time.

6. Have contingencies in place for Scotland and Northern Ireland.

I have addressed the question of Brexit by referring to British-based IP rights. The referendum regarding Brexit notably included all of Great Britain, encompassing Scotland and Northern Ireland. The results indicate, however, that these territories did not support Brexit. Whether they will achieve a separate agreement to retain their EU-based IP rights remains uncertain. Owners of trademarks, designs and geographic indications used in these countries would be most directly affected.

The absence of EU directives and regulations as mandatory floors for protection post-Brexit should not unduly threaten the continued strong protection for IP rights in Britain. But for those companies who have relied on protections secured by EU-based registration and regulation systems, a little planning could avoid unfortunate surprises.

Brexit itself was surprise enough.