



## IV: Enforcement and Agreements

IP Enforcement after Brexit	
<p>I have found infringing goods on the UK market. I have a pan-EU registered right but no UK registration in my portfolio.</p> <p>Can I sue under the EUTM?</p>	<p><b>No</b></p> <p>UK rights will be required after Brexit in order to enforce your trade mark against an infringer in the UK.</p> <p>Are you sure you haven't got a cloned UK right you didn't know about?</p> <p><b><i>We can check all registers. There may also be something you can do under the law protecting unregistered rights in the UK.</i></b></p>
<p>Can I get an EU-wide injunction from a UK court?</p>	<p><b>No</b></p> <p>After Brexit a UK court will only be able to grant injunctive relief limited to the UK.</p>
<p>Will an EU-wide injunction cover the UK?</p>	<p><b>EU wide injunctions granted after Brexit date will not cover the UK.</b></p> <p><b>Draft UK legislation suggests that EU wide injunctions granted before Brexit date will continue to have effect in the UK, subject to the creation of an equivalent right derived from the EUTM on which the injunction was based, and subject to any order of the court to the contrary.</b></p> <p>Proceedings before a UK Court Acting as an EU Trade Mark or Community Designs Court that are ongoing at exit date will continue to be heard under the EUTM Regulation or Community Designs Regulation, as if the UK were still an EU Member State. However, actions and remedies taken or granted by the Court will be applicable to the cloned UK right only.</p>
<p>What will happen to existing injunctions granted affecting the UK?</p>	<p>If the injunction was for infringement under a UK right nothing will change.</p> <p>Where an injunction in place at exit day prohibits actions in the UK which would infringe an existing EUTM or Community Design, the terms of that injunction will be treated as if they also apply to the cloned UK right. Pan-European injunctions granted before exit day will therefore continue to have effect and be enforceable in the UK after exit day.</p>

## Effect on agreements (including licences)

<p>What's the impact on any existing agreements? I have co-existence agreements resulting from EU disputes. Will they all have to be re-negotiated?</p>	<p><b>Probably no action is needed but case-by-case attention may be warranted</b></p> <p>This will be a question of interpretation in the event of any dispute: if it was the intention of the parties that the agreement covered the UK at the time it was agreed, it is likely that the agreement will be deemed to cover the UK, even if it only refers to the "European Union".</p> <p><b><i>If this is a business-critical agreement, Brexit may provide an opportunity to revisit. We suspect many trade mark co-existence agreements are signed and filed away never to be seen again, so reopening every negotiation is most unlikely to be warranted.</i></b></p>
<p>Is there an effect for any new agreements being entered into after Brexit?</p>	<p><b>Yes</b></p> <p>References to the "European Union (EU)" will not be interpreted as covering the UK if the agreement was executed after Brexit.</p> <p><b><i>We recommend any new agreements that are to cover the UK include a specific provision to this effect. If the agreement is to apply to EU and cloned UK rights or new UK applications, this will need to be stated in the agreement.</i></b></p>
<p>Are cloned UK rights automatically included in existing trade mark licences?</p>	<p>Further guidance on this is expected.</p> <p>As above, it could be a matter of interpretation. We would not expect licensees to stop paying for UK use, but it does depend on the original licence agreement.</p> <p><b><i>We will update this note as we gain clarity.</i></b></p>
<p>Is there an effect for any new licences being entered into after Brexit?</p>	<p><b>Yes</b></p> <p>As above, we recommend explicit mention of any UK cloned rights arising from Brexit.</p> <p><b><i>We are happy to advise on the wording of any agreement in effect or about to be signed.</i></b></p>

## Exhaustion of rights

<p>What does EU exhaustion mean? What is the present position?</p>	<p>The exhaustion of IP rights refers to the loss of the right to control distribution and resale of that product after it has been placed on the market within a specified territory by, or with the permission of, the right holder.</p>
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	<p>A parallel import is a non-counterfeit product which is imported into a country where the intellectual property rights in that product have already been exhausted.</p> <p>The UK is currently part of a regional European Economic Area (EEA) exhaustion scheme. This means that IP rights are considered exhausted once goods have been placed on the market anywhere in the EEA with the right holder's permission. This prevents the holder of the IP right from suing as those goods, covered by the IP right, circulate around the EEA without hindrance.</p>
<p>What will be the UK position on exhaustion of rights after Brexit? I thought Brexit was all about preventing free movement of goods from the rest of the EU into the UK.</p>	<p>The UK will continue to recognise EEA exhaustion of rights for goods placed on the market anywhere in the EEA by the right holder so the rules affecting imports of goods into the UK will not change.</p>
<p>What will be the EU position on exhaustion of rights after Brexit?</p>	<p>Following the end of the transition period, absent any agreement with the EU, putting the goods on the market in the UK will not exhaust the IP rights in the EEA.</p> <p>Owners of UK IP rights will not be able to prevent parallel imports from the EEA, as the UK will no longer be a Member State, but owners of rights in the EEA will be able to prevent parallel imports from the UK. It is therefore very important that parallel importers review whether they will need the EEA-based IP rights holder's permission to export goods to the EEA post-Brexit.</p> <p>It is expected that the final position on exhaustion will mirror any agreement on the future trading relationship between the UK and EU. Therefore, although the position as it stands is as described above, it is certainly possible that this will not be the final position on 31 December 2020. We are continuing to monitor the position and will provide updates as soon as these become available.</p>