

EU-UK Trade and Cooperation Agreement: what does it mean for IP?

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Overview

The EU-UK Trade and Cooperation Agreement (TCA), running to a mere 1255 pages, is the core document in the bundle of agreements and declarations agreed between the EU and UK on 24 December 2020. Intellectual property (IP) is covered in Part 2 (Trade, Transport, Fisheries and other arrangements), Title V of the TCA (pages 125 to 147).

Title V comprises:

Chapter 1 - General provisions (Objectives, Scope, Definitions, International agreements, Exhaustion, National treatment).

Chapter 2 - Standards concerning IP rights (Section 1: Copyright and related rights; Section 2: Trade marks; Section 3: Designs; Section 4: Patents; Section 5: Protection of undisclosed information (e.g. trade secrets); and Section 6: Plant varieties).

Chapter 3 - Enforcement of IP rights (Section 1: general obligations; Section 2: civil and administrative enforcement (e.g. evidence, injunctions, damages etc); Section 3: Civil judicial procedures and remedies of trade secrets; section 4: Border enforcement

Chapter 4 – Contains a sweep-up of various other matters including a requirement for cooperation (for example in relation to preventing export of counterfeit goods), voluntary stakeholder initiatives and a review in relation to Geographical Indications (GIs) (which we discuss below).

It is worth noting at the outset some of the general provisions, in particular, the objectives and scope set out in the first chapter of Title V, before going on to look at particular aspects as they help to put in context the effect of the TCA on IP going forward.

The Objectives (*Article IP.1*) are to:

- Facilitate the production, provision and commercialisation of innovative and creative products and services between the EU and the UK by reducing distortions and impediments to such trade, thereby contributing to a more sustainable and inclusive economy; and
- Ensure an adequate and effective level of protection and enforcement of IP rights.

The Scope (*Article IP.2*) is: to complement and further specify the rights and obligations of the EU and UK under the TRIPS Agreement and other IP international treaties. Significantly it does not preclude either party from introducing more extensive protection and enforcement of IP rights.

International agreements (*Article IP.4*) highlights that the parties affirm their commitment to comply with the various international agreements listed (e.g. TRIPS, Rome Convention, Berne Convention, WIPO Copyright Treaty, Marrakesh Treaty etc).

Exhaustion (*Article IP.5*) - the TCA expressly states that it does not affect the freedom of the parties to determine whether and under what conditions the exhaustion of IP rights applies

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National treatment (Article IP.6) – the parties agree to treat each other's nationals in the same way they would treat their own in relation to the protection of IP, subject to the exceptions already provided for under the various international treaties specified.

Brief analysis

The IP provisions of the TCA are mostly concerned with setting out the minimum standards and principles of IP protection and enforcement to which the EU and UK will remain committed to, and in the words of the European Commission "*complement the existing international multilateral legal framework*". There is also some room for manoeuvre under the TCA and as the Prime Minister set out in the Summary Explainer, "*the Agreement also retains regulatory flexibility for each Party, enabling the UK to develop an IP system in line with our domestic priorities*".

The arrangements that flowed from the IP provisions of the Withdrawal Agreement and the consequential UK Exit Regulations (Statutory Instruments), such as the creation of

comparable UK trade marks and registered designs, remain in place and are generally of much greater significance than the high level principles set out in the TCA. (For the details of these changes, many of which were put in place well before the TCA was agreed, see our briefing note, [Brexit and intellectual property; a new horizon](#) and also the main [guidance note](#) from the UK Intellectual Property Office (IPO) which in turn links to a number of satellite guidance notes for different IP rights). In other words, the impact of Brexit on IP rights goes considerably beyond the TCA itself, as it does in many other areas, and the TCA also leaves open a number of issues in relation to IP (some of which we highlight below).

A detailed analysis of all the IP provisions of the TCA is beyond the scope of this blog and is no doubt something that will be debated keenly by future lawyers in both the UK and EU for years to come. In the meantime we hone in on a few of the more interesting aspects and those with potential practical ramifications for different IP rights.



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Copyright

The copyright provisions (set out in Articles IP.7 to IP. 17) do no more than implement existing copying law, and set out the general standards and mutual recognition between the parties on the protection of copyright. Any special rules or cross-border copyright arrangements that are unique to the EU (e.g. clearance for satellite broadcasts, reciprocal protection for sui generis database rights, orphan works exception), do not feature in the TCA because they no longer apply to the UK and the impact of these are dealt with in various statutory instruments and guidance notes published by the UK IPO. For example, whilst the TCA is silent on database rights, they do feature in the Withdrawal Agreement and UK legislation has been amended by the Intellectual Property (Copyright and Related Rights (Amendment) (EU Exit) Regulations 2018 to provide a new UK specific database right in the UK, only eligible for UK citizens, residents and businesses.

There is also an interesting provision under the designs section in Article IP.31 regarding the relationship between unregistered designs and copyright. The provision requires the parties to ensure that designs are also eligible for copyright protection as well as design protection and allows the parties the freedom to determine the conditions for that protection, including the level of originality required. This is good news for designers (see below for further details) and may be an area where we see

divergence occurring quicker perhaps than in other areas of IP.

The copyright provisions in the TCA cover the following areas: exclusive rights of: Authors; Performers; Producers of phonograms; Broadcasting organisations; Broadcasting and communication to the public of phonograms published for commercial purposes (remuneration); Term of protection; Resale right, Collective management of rights; Exceptions and limitations; Protection of technological measures; and Obligations concerning rights management information.

Trade marks

Much of the content of the TCA in respect of trade marks in Articles IP.18 to 26 reflects the provisions in the Trade Marks Directive (EU 2015/2436) such as the criteria and procedure for registration, infringement, defences to infringement, and revocation.

Buried in the details of the TCA however are a number of differences and perhaps an indication that the UK may take a step back in the future in relation to some aspects of trade mark protection. For example, there are no express provisions in the agreement retaining the existing rules on the dilution of trade marks with a reputation. Instead, the TCA relies on the application of the Paris Convention provisions on the protection of well-known marks in Article 19.22.

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Unregistered designs

As discussed most recently in our blog, [Brexit: European Commission rejects plea for reciprocity for designers](#), design law in the UK is already a complex matrix of different forms of overlapping and interlocking protection and this is now further complicated following Brexit particularly in relation to unregistered designs. The UK had proposed a system for continued reciprocal protection from 1 January 2021 meaning that disclosure in either the EU or UK would give rise to both unregistered Community design (UCDs) and the newly created comparable UK right, the supplementary unregistered design (SUD). However, this proposal was rejected by the European Commission during the negotiations in mid-October 2020 and as expected the position remains the same in the TCA with no reciprocity provisions. This means that designers will now have to choose between disclosing in the UK and getting a UK-wide right only, or, disclosing in the EU and getting the EU-wide UCD. Sadly the TCA does not change this.

A provision worth noting concerning the relationship between unregistered designs and copyright is Article 1P.31 stating that the parties must ensure that designs are also eligible for protection under their copyright law from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, the protection is conferred, including the level of originality

required, is to be determined by each party. If the parties are at liberty to determine the conditions under which protection is conferred, including establishing their own tests for originality in designs, this is an area where we may see UK law diverging from EU law fairly quickly.

Trade secrets

Article IP.34 covers the protection of trade secrets, largely reflecting the Trade Secrets Directive (2016/943).

Exhaustion of rights

The TCA expressly states that it does not affect the freedom of the EU and the UK to determine whether and under what conditions the exhaustion of IP rights applies (*Article IP.5*). To put this in context let's look at the current situation...

From 1 January 2021, the IP rights in goods placed on the EEA market by, or with the consent of the right holder will continue to be considered exhausted in the UK and consequently parallel imports from the EEA to the UK will remain freely importable (as set out in one of the many Exit Regulations). However, rights in goods placed on the UK market by, or with the consent of the right holder may no longer be considered exhausted in the EEA, and so businesses that export IP-protected goods from the UK to the EEA will need to ensure they have permission to do so.

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During the trade negotiations, the UK had hoped that the EU would have agreed that parallel imports to the EEA would have remained freely importable, but this did not happen – instead the position is left open for both parties as confirmed by this provision of the TCA. The UK IPO had in fact already announced that it would be launching a consultation in early 2021 to decide what its permanent exhaustion regime should be. In the meantime, the temporary asymmetric regime will remain in place until the consultation's conclusions are available and any subsequent legislation is implemented.

Geographical Indications (GIs)

The protection of GIs was another controversial issue between the EU and UK during the negotiations and the parties were unable to agree a future scheme of protection (excluding the current stock of GIs registered in the EU by the end of 2020 and so protected in the UK through the Withdrawal Agreement).

The Prime Minister's Office's Summary Explainer states that the TCA retains regulatory flexibility for each party, enabling the UK to develop an IP system in line with its domestic priorities. Article IP.57 provides that they may *"may jointly use reasonable endeavours to agree rules for the protection and effective domestic enforcement of their geographical indications"*.

The UK has set up its own GI scheme which will now kick in. For the details see our earlier blog, [New UK Geographical Indication scheme announced](#).

Supplementary Protection Certificates

Although supplementary protection certificates (SPCs) are not expressly referred to in the TCA, the current regime is effectively preserved through Article IP.32 which states that both the EU and UK should provide for the extension of the period of protection conferred by a patent on medicinal and plant protection products. However, the terms and conditions of such protection, including its length is for each party to determine.

The UK SPC legislation which came into effect on 1 January 2021 (through another set of Exit Regulations) largely mirrors the pre-existing EU SPC Regulation (469/2009). In time, the UK legislation will perhaps be amended (and the TCA allows for this flexibility), but it is not anticipated that there will be any significant changes in the short term to the SPC regime in the UK. However, from 1 January 2021 a UK national marketing authorisation (MA) is required for both medicinal products and plant protection products for the product to be entitled to a UK national SPC.

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Enforcement

Sections 1 and 2 of Chapter 3 deal with the enforcement of IP rights (apart from trade secrets which are covered in separate Section 3) requiring the parties to provide for the measures, procedures and remedies necessary to ensure the enforcement of IP rights (Articles IP.38 to IP.51). The provisions are reminiscent of the Enforcement Directive (2004/48) and cover: General obligations (e.g. measures, procedures and remedies must be effective and proportionate etc); Measures for preserving evidence and evidence in general; Right of information; Provisional and precautionary

measures (e.g. the right to apply for an interlocutory injunction); Corrective measures (e.g. the destruction of goods); Injunctions; Alternative measures (e.g. pecuniary compensation); Damages; Legal costs (i.e. unsuccessful party pays successful party's reasonable and proportionate legal costs and other expenses); Publication of judicial decisions; and Presumption of authorship/ownership.

Article IP.52 of Section 3 of Chapter 3 covers the specific 'Civil Judicial procedures and remedies of trade secrets', which are similar to those set out in the Trade Secrets Directive (2016/943).



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Border Enforcement

With the UK no longer being part of the EU Customs Union, EU customs authorities no longer enforce UK IP rights at their respective borders. Whereas before 1 January 2021, IP owners of EU-wide rights could file an 'Application for Action' (AFA) through the customs authority of one member state to cover, if necessary, all member states, this is now no longer the case as it is now necessary to file separate EU and UK applications. The TCA does not change this. Article IP.53 of Section 3 of Chapter 3 ('Border measures') simply provides that each party shall adopt or maintain procedures under which a rightholder may submit applications to a competent authority to suspend the release of or detain suspected goods, i.e. goods suspected of infringing trade marks, copyright and related rights, GIs, patents, utility models, industrial designs, topographies of integrated circuits and plant variety rights. There is also an obligation under this Article (as well as a wider agreement to cooperate under Article IP.55) to share relevant information on international trade in suspected goods affecting the other party.

Final word

In conclusion, as far as the protection and enforcement of IP is concerned, the TCA does not in general do more than set minimum standards that are consistent with current IP law and systems in the UK and the EU. It does

not alter the arrangements set out in the Withdrawal Agreement which the UK Exit Regulations and guidance notes issued by the UK IPO put into practice and which will continue to evolve as the UK and EU enter into a new working relationship. Some commentators are of the view that the TCA records what the parties can agree on, such as basic points of principle or the minimum standards on protection and enforcement of IP rights but avoids/leaves out some of the thornier issues where compromise is required.

The TCA sets out the current status quo between the UK and EU concerning the different IP rights but at the same time leaves room for some flexibility for each party. This will enable the UK to develop an IP system in line with our domestic priorities (as stated in the Prime Minister's Summary Explainer and highlighted above). Time will tell how far the UK will in practice decide to diverge from EU laws and systems. In this regard, rather than focusing on what is included in the TCA, of more relevance is what is not included and how those omissions will possibly shape the future and open up the way for divergence. We have highlighted above some of the areas where the TCA is silent, including on exhaustion of rights, GIs, well-known marks and SPCs. No doubt other areas will emerge and be the subject of further discussion between the UK and EU (or at least internally within the UK), as we move into a new post-Brexit era.

How our lawyers can help

With changes to the UK's relationship with the EU, there is likely to be some turbulence when it comes to ensuring that the right type of IP protection is in place in all the right jurisdictions.

Lawyers are uniquely placed to help rights owners with this transition, from auditing their IP, checking contractual arrangements and distribution networks to minimise business disruption, and resolving any litigation risks that may emerge in the new environment

As IP is what cements the brand and business identity, lawyers can also play a key role in advising on strategy, reviewing IP regulations in relevant key markets and putting the necessary arrangements in place to protect IP rights in the future. With our network of offices and IP lawyers across the UK and Europe, Fieldfisher is well positioned to help you and your business.



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