

# Registration rights for exporters to the UK and Europe

## Post Brexit trade mark protection clarity emerges

Wine industry lawyer Mark Hamilton examines the legal implications for wine exporters of the UK's looming withdrawal from the European Union. He reveals holders of EU trade marks should expect their rights to remain protected in both markets.



**C**onsiderable clarity regarding the fate of European Union trade marks following Brexit has recently emerged.

To recap, the UK is still a member of the European Union until the expiry of the notice period of two years provided for by Article 50 of the Lisbon Treaty (which amended the earlier Treaty of the European Union).

Article 50 was triggered by the UK on the 29th day of March 2017, meaning that the UK will leave the EU on the 29th day of March 2019, unless the notice period is extended with the unanimous consent of all EU member states.

The UK and the remainder of the EU are currently immersed in negotiations to separate their legal systems and economic arrangements.

Much has been made of the supposed difficulty of achieving this, but it does seem that both sides are dedicated to making rational arrangements of a self-evident nature.

An excellent example, of great interest to Australian winemakers exporting wine to the EU and the UK, are the arrangements



likely to be made in relation to trade marks. These are highly likely to be as outlined in the September 2017 position paper on intellectual property rights of the European Commission's Task Force for the Conduct of Negotiations with the United Kingdom under Article 50 ("TEU") ("the EU Task Force"). The EU proposals seem entirely sensible and potentially non-contravened.

### Intellectual property rights

The EU task force noted that the withdrawal of the United Kingdom from the European Union will (unless satisfactory arrangements are made) create uncertainty for UK and EU27 stakeholders in relation to the scope of protection in the United Kingdom of certain intellectual property rights; to the treatment of applications for certain rights and to the exhaustion of rights conferred by intellectual property

rights. This uncertainty will significantly affect the conditions under which goods that are placed on the market in the union before the withdrawal date could continue to circulate between the EU27 and the UK.

The EU task force said that the withdrawal agreement should ensure that:

1. The protection enjoyed in the United Kingdom on the basis of union law by both UK and EU 27 holders of intellectual property rights having unitary character within the union before the withdrawal date is not undermined by the withdrawal of the United Kingdom from the European Union;
2. Procedure-related rights (eg. right of priority) in relation to an application for an intellectual property right having unitary character within the Union still pending on the withdrawal date are not lost when applying for an equivalent intellectual property right in the United Kingdom;
3. Applications for supplementary protection certificates or for the extension of their duration in the United Kingdom on-going before the

withdrawal date are completed in accordance with the conditions set out in union law;

4. Databases protected in the EU27 and the UK before the withdrawal date continue to enjoy protection after that date; and
5. Exhaustion before the withdrawal date within the union of the rights conferred by intellectual property rights is not affected by the withdrawal of the United Kingdom from the European Union.

### General principles

The EU task force proposes the following general principals apply in accordance with union law, as interpreted by the Court of Justice of the European Union on the date of entry into force of the withdrawal agreement:

#### 1. Intellectual property rights within the EU

- The holder of any intellectual property right within the EU and granted before the withdrawal date should, after that date, be recognised as the holder of an enforceable intellectual property right in relation to the UK,

comparable to the right provided by EU law – if need be on the basis of specific UK domestic legislation to be introduced.

The implementation of this principle should include, in particular, the automatic recognition of an intellectual property right in the UK on the basis of the existing intellectual property right within the EU.

Where applicable to the relevant right, the implementation of this principle should also include:

- The determination of the renewal dates;
- The respect of priority and seniority principles;

The adaptation of 'genuine use' requirements and 'reputation' rules to the specific situation under consideration;

The recognition of a trade mark in the UK should not be refused on the ground that the equivalent EU trade mark had not been put into genuine use in the territory of the UK before the withdrawal date.

The owner of an EU trade mark having reputation in the EU should be allowed, after the withdrawal date, to temporarily exercise in the UK rights equivalent to those foreseen in Article 9(2)(c) of Regulation (EC) No 207/2009 and Article

5(3)(a) of Directive 2015/2436 in respect of the equivalent national trade mark even if the equivalent national trade mark in question does not yet have a specific reputation within the UK.

- The implementation of this principal should not result in financial costs for the holders of intellectual property rights within the EU. Any related administrative burden for such holders should be kept to a strict minimum.

2. Where an application for an intellectual property right within the EU has been submitted before an EU body in accordance with EU law before the withdrawal date and the administrative procedure for the grant of the right concerned is still ongoing on that date, the applicant should be entitled to keep the benefit of any priority date in respect of such pending application when applying after the withdrawal date for an equivalent intellectual property right in the UK.

#### 3. Legal protection of databases


Makers or rightholders of databases protected pursuant to Article 7 of Directive 96/9/EC in the EU member states before the withdrawal date should continue to

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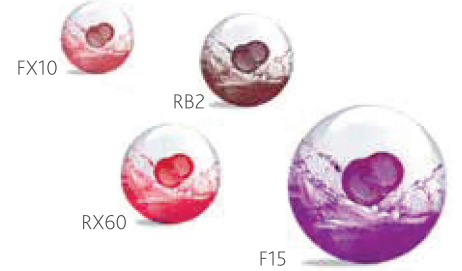
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enjoy protection after that date in the EU27 member states and in the UK in relation to those databases. For this purpose, the requirements of

Article 11(1) and (2) should be waived in the EU27 member states in respect of UK nationals and UK companies and firms; conversely, the UK should not exclude EU27 nationals and EU27 companies and firms from legal protection of databases in the UK on nationality or establishment grounds.

#### 4. Exhaustion of rights

Rights conferred by intellectual property rights which were exhausted in the European Union territory before the withdrawal date should, after that date, remain exhausted in both the EU27 territory and in the UK territory. The conditions for exhaustion concerning each intellectual property right should be those defined by union law. For instance, in relation to trade marks, the rights conferred by the trade mark to prohibit its use in relation to a good are exhausted

when such good (to which the trade mark is related) was put on the market in the union before the withdrawal date by the proprietor of the trade mark or with the proprietor's consent.

#### Definitions

For the purpose of this article, the notion of 'Intellectual property right within the EU' relevantly refers to the following right:

- A 'European Union trade mark' refers to a trade mark registered in accordance with Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark.

#### Data transfer and cooperation

For the purpose of facilitating the implementation of general principal 1, the EU task force proposes that the withdrawal agreement should provide for adequate cooperation and the transfer of relevant data between the entities charged with the registries of intellectual property rights in the UK and in the EU27.

The EU task force says that any such transfer of data should comply with the general principles set out in the paper on "Essential Principles on the Protection

of Data and Information Obtained or Processed before the Withdrawal Date".

The arrangements proposed by the EU seem entirely sensible and aimed at continuing the protection across Europe and the UK which EU community trade mark holders have at present under the combined EU system. It is hard to see why the UK would object to these proposals, which seem consistent with engineering the best economic and regulatory outcome for all parties involved.

Australian winemakers who hold EU trade marks, or apply for them between now and the withdrawal date should feel reasonably comforted that these arrangements will be in place on the withdrawal date, such that they will continue to have registered rights enforceable in both Europe and the UK.

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## Global wine tech leader to build HQ in SA's Barossa Valley

**A** Nuriootpa-based business - specialising in producing innovative wine technologies - has been offered a \$500,000 State Government to support a project that will create 19 full-time equivalent ongoing jobs.

VA Filtration will use the Regional Development Fund grant to support building a \$4.5 million purpose-built new technology facility on Pipeline Road.

The facility will boost South Australia's reputation as a world leader in innovative wine technologies.

New positions will include researchers, engineers and manufacturing experts. Another 15 FTEs will be created during the construction phase.

The facility will enable VA Filtration to construct highly advanced modern filtration machines locally in South Australia, instead of the company needing to outsource this work interstate as currently occurs.

The project aligns with the State Government's economic priorities of 'Premium food produced in our clean environment and exported to the world' and 'Growth through innovation'.

VA Filtration is a global distributor of a

unique, patented mobile filtration system, designed to service small to medium wineries.

It uses patented, highly advanced filtration processes to improve wine quality by removing or reducing undesirable compounds and taints.

Regional Development Minister Geoff Brock said the business is a valuable contributor to the state's premium wine supply chain.

"South Australia already accounts for almost 80 per cent of Australia's premium wine production which is produced from some of the oldest vines in the world.

"In 2016-17, South Australia's wine industry generated more than \$2.3 billion in revenue. VA Filtration currently services around 180 wine producers across South Australia."

The State Government's \$15 million Regional Development Fund (RDF) drives economic growth through grants to boost investment in regional infrastructure and the creation of jobs in South Australia.

VA Filtration managing Director and founder Matthew Hooper said his business is pleased to be offered the funding, which will allow it to expand its world-leading technologies in the heart of Australia's most



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prestigious wine region, the Barossa Valley.

The project will give VA Filtration a permanent base for the company, building on the existing invaluable mobile service we provide to customers.

We're excited to now be able to dramatically expand our operations in regional South Australia, increase machine exports through our subsidiary companies in the USA, New Zealand, Chile, South Africa and Argentina, and develop a dedicated research and development division.

The regional development fund has been independently assessed by Ernst and Young. This assessment showed that projects supported by the RDF in the 2016/17 financial year alone would make an economic contribution to the state of over \$1 billion and create over 3000 regional jobs.