

# D YOUNG & CO PATENT NEWSLETTER *no.54*

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## IP & Brexit How will the UK exit from the EU impact on UK and European IP law and practice?



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August and summer vacations arrive as a welcome interlude after a politically turbulent July in the UK. The UK narrowly voted to leave the European Union at the end of June, leaving many unanswered questions about the future of the UK and its relationship with the EU. Despite this, for many aspects of UK and European IP law, the outcome is in fact 'business as usual'. In this edition we explain why this is the case, and provide advice on how now to proceed in those areas, such as design rights, where some legal change can ultimately be expected. Design rights also feature further in this edition following clarification from the UKIPO after the 'Trunki' Supreme Court decision and as we announce the publication of our useful European Design Law handbook. Finally we are very pleased also to announce the final exam successes of three attorneys who trained entirely at D Young & Co – well done Anton, Antony, and Tom!

Editor:  
Nicholas Malden



## Events



09 August 2016

### European biotech case law webinar

Simon O'Brien and Matthew Caines will be presenting our August European biotechnology case law webinar.

16 September 2016

### BVCA Tech Forum, London UK

We are proud sponsors of this forum, taking place exclusively for British Private Equity & Venture Capital Association members.

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## IP & Brexit

### How will the UK exit from the EU impact on UK and European patent law and practice?

**T**he UK has voted to leave the European Union. In this edition of our newsletter, we consider the impact of 'Brexit' on UK and European intellectual property law and practice.

Though the full implications of Brexit remain unclear at present, we are monitoring developments closely and will provide timely updates as soon as the legislative position is addressed by both the UK and EU authorities.

This information, news and further announcements, can be found in the newly launched 'IP & Brexit' area of our website: [www.dyoung.com/brexit](http://www.dyoung.com/brexit).

### Contact us with your 'Brexit' questions or concerns

Please do get in touch with any questions or concerns regarding IP and Brexit by emailing us at [brexit@dyoung.com](mailto:brexit@dyoung.com).

### Brexit & patents

Following the UK's decision to leave the European Union ('Brexit'), there will inevitably be questions about what this all means for patent protection. With this in mind, we have developed a series of FAQs to address any questions or concerns.

Crucially, no patent rights will be lost as a result of the UK vote to leave the EU and there is no change to the services that we can provide to our clients.

The FAQs that follow summarise the likely situation for patent protection in the UK and Europe.

### What has changed?

In terms of the European patent system – nothing. There is no change to the way patents can be filed and prosecuted. It is business as usual.

The UK will continue to be a member of the

European patent system, which is governed by the European Patent Convention (EPC), a treaty between contracting states to the EPC that is, and will remain, completely separate from the EU.

A number of non-EU members, such as Norway, Switzerland and Turkey, have long been EPC contracting states. Accordingly, the UK's exit from the EU simply means that the UK will join these other EPC contracting states who are not members of the EU. It will not change the EPC in any way.

Patent protection in the UK will continue to be available via the European Patent Office (EPO) by validating granted European patents in the UK after grant, and our European patent attorneys will continue to act in the usual way in all matters before the EPO.

### Will D Young & Co be able to continue representing clients before the EPO?

Yes. The EPO is independent of the EU and a UK exit from the EU has no effect on our ability to represent clients before the EPO. There will be no change in our ability to file or prosecute patent applications or our ability to file or defend oppositions to granted patents.

European patent applications may still designate all contracting and extension states and we will continue to be able to secure protection across the EPC.

### What will happen to the planned Unitary Patent (UP) and Unified Patent Court (UPC)?

The most likely impact on the UPC and UP arising from the withdrawal of the UK from the EU is delay. It is possible that this delay will be considerable or indefinite. Absent agreement on the terms of the UK's departure from the EU, we do not think it is politically likely that the UK will ratify the UPC Agreement in the



Crucially, no patent rights will be lost as a result of the UK vote to leave the EU



near future, as had been the plan, even though it could while it remains an EU member state. That being so, it is hard to imagine how the system can start in any near time frame.

We have also seen comments to the effect that the UK could ultimately continue to participate in the system. Whether that is legally possible or politically feasible remains to be seen. We see problems with both aspects.

We also note that the renewal fees for the UP were set based on validation in the UK and we believe these should be revisited if the UP will no longer cover one of the three largest economies in the EU. This review is likely to take time.

It is also possible that the system may be considered insufficiently attractive to be continued further if it is to do so without the UK. Although, so far, all the official comments have been to the effect that the remaining Contracting Member States intend to go ahead.

In any event, the protection afforded by a European patent will continue in the UK, and the UK being one of the Europe's

largest economies will remain a key jurisdiction in which to enforce rights.

If and when the Unitary Patent comes into existence in the future, we will be best placed to provide litigation services, with the specific benefit of a combined team of lawyers and European patent attorneys, which we believe will be essential in the new court system.

#### Supplementary protection certificates (SPCs)

There is no change to the EU SPC regulations. In particular, the scope, effectiveness and enforceability of SPCs in the UK remain the same. This will continue to be the case until such time as the UK actually leaves the EU. The negotiations could take many years and suitable transitional provisions will be implemented at an appropriate time – we will keep you informed.

In respect of existing SPCs, although the position is unclear at present, we anticipate that appropriate UK legislation will be implemented to ensure that UK SPCs pending or granted under existing EU legislation will continue to have effect in the UK after the UK leaves the EU.

#### Will D Young & Co be able to continue representing clients in relation to SPCs?

Yes we will. SPCs will remain valid and enforceable in the UK, and new SPCs can be obtained, until Brexit takes effect. Moreover, Brexit should have no effect on the existing SPC system in other EU countries. Therefore our advice is to continue filing in the usual way for SPC protection in the UK and in other EU countries.

#### Will UK SPCs continue to be available after the UK leaves the EU?

It is difficult to be certain exactly how SPCs will be impacted – this will depend somewhat on the terms of the UK's exit, and in particular whether the UK remains in the European Economic Area (EEA) (with Norway and Iceland - to which the EU SPC regulation applies).

However, the purpose of SPCs (to compensate the patent holder for the patent term loss caused by the need to obtain regulatory approval), and their value to the pharmaceutical and plant protection industries, remains unchanged by the UK leaving the EU.

A number of non-EU countries, such as Switzerland, already allow SPCs based on their national law, under provisions that essentially parallel those of the EU regulations. Accordingly, the UK Government is likely to follow a similar model and enact new legislation to allow for UK national SPCs under provisions similar to those currently provided under the EU SPC regulations.

## INFLUENCING THE FUTURE OF IP IN EUROPE

We are a strong voice within professional committees, driving and influencing IP decisions following the UK vote to leave the EU.

Share your questions or concerns with us at [brexit@dyoung.com](mailto:brexit@dyoung.com).



# IP & Brexit

## What has changed for design rights?

It is important to know that currently there is no change to EU intellectual property rights or laws. In particular, the scope, effectiveness and enforceability of unitary EU-wide designs remains the same, both within the UK and the other 27 member states. This will continue to be the case until such time as the UK actually leaves the EU, which will occur at the end of a period of negotiation likely to take at least two years.

### Will D Young & Co be able to continue representing clients for EU design matters and before the EU Intellectual Property Office (EUIPO)?

Yes. Nothing will change with respect to rights of representation for at least the next two years and we have already taken steps to ensure that we will continue to be able to represent clients before the EUIPO (formerly OHIM) following the UK's exit from the EU in due course. These include both the recent opening of our Munich office and ensuring that our attorneys and solicitors are suitably qualified to act.

### What will happen to existing Community design rights?

Existing registered Community designs (RCDs) will no longer be effective in the UK after the UK's actual exit.

Similarly, it is anticipated that transitional provisions will be introduced so as to provide for national UK registered designs to co-exist alongside residual RCDs.

After the UK's exit from the EU, Community unregistered design rights will cease to apply in the UK. Whilst there is already a separate UK national unregistered design right, this differs from the Community right in a number of respects. In particular, the UK right protects the shape and configuration of a product, whereas a Community unregistered design right covers the appearance of a product, including features such as colours, texture and ornamentation. The UK Government will therefore need to consider whether to legislate so that the national right is extended to include the additional features currently covered by the Community right, thereby closing the potential gap in protection.

### What action should be taken in relation to existing registrations and new applications?

Until the UK actually leaves the EU, existing RCDs will remain fully effective and enforceable.

In terms of filing new designs during this transitional period, we recommend filing both an RCD application along with a separate UK national application. Doing this will provide greater certainty in relation to long-term protection in the UK. In addition, we advise continuing to maintain any UK national registrations which may already exist.

### Will IP contracts such as EU-wide licences be affected?

We recommend conducting a review of any IP-related agreements, such as licensing arrangements, which involve RCDs or

where the territory is specified as the EU. Unless the agreement expressly deals with the prospect of countries leaving the EU (which is unlikely), the issue of whether a particular agreement will still cover the UK post-Brexit will be open to interpretation.

In general, unless there is anything in the contract to contradict it, it is likely that such agreements (where English law is the governing law of the contract) would be construed as still including the UK, on the basis that the parties intended to include the UK at the time of entering the contract.

It is important to note, however, that the position for any given contract will always depend on the circumstances of the particular agreement in question, hence the importance of reviewing such contracts, taking specific advice and potentially entering variation agreements if required.

### To what extent will the principle of 'exhaustion of rights' continue to apply to designs?

At present, once goods have been put into circulation in the European Economic Area (EEA) by or with the consent of the rights holder, the relevant design rights are said to be 'exhausted' and the rights holder cannot prevent further free movement of the goods within the single market (unless there are legitimate reasons such as a change in condition of the goods).

The extent to which exhaustion of rights will continue to apply to the UK will largely depend on whether or not the UK remains a member of the EEA (which currently includes all member states of the EU, as well as Iceland, Liechtenstein and Norway). However, if the UK leaves the EEA or if the UK Government takes a restrictive view on international exhaustion, it is possible that rights holders may be able to restrict imports coming into the UK from the EU, and vice versa.

D Young & Co is still be able to represent clients for EU design matters



Whatever your design needs, we have the right team to help you. Do get in touch for further information or visit our website design pages here: [www.dyoung.com/designs](http://www.dyoung.com/designs)

# Design after 'Trunki' UKIPO clarifies scope of protection for UK designs in DPN 1/16

## Useful links

*Trunki loses Supreme Court appeal:  
PMS International Group Plc v Magmatic  
Ltd [2016] UKSC (09 March 2016):  
<http://www.dyoung.com/article-trunkidecision>*

*Supreme Court Trunki decision  
09 March 2016 (pdf):  
<http://dycip.com/trunkidecision>*

*DPN 1/16: Guidance on use of  
representations when filing registered design  
applications: <http://dycip.com/dpn1-16>*

**T**he UK Intellectual Property Office (UKIPO) has issued a rare 'Designs Practice Note' to provide guidance to applicants in the light of the judicial comments made in the recent Supreme Court decision in the 'Trunki' case.

### Scope of protection

As part of the Trunki decision, the Supreme Court justices commented that, in relation to a registered Community design (RCD), the scope of protection conferred by the registered design had to be construed from the drawings/photographs alone. This is because EU design law does not allow the meaning of the drawings/photographs (the 'representations' depicting the design) to be altered by any written statement (eg, written disclaimer or limitation) included on the representations or on the application form filed with the RCD application.

This is probably a pragmatic restriction imposed by the European Union Intellectual Property Office (EUIPO) in order to remove the need to have to translate any written statement into all of the official languages of the member states of the European Union.

**Without the assistance of a written statement, there can be ambiguity (as there was in the Trunki case) as to whether the design that is protected by an RCD comprises just the 3D features of shape and configuration, or the 3D features 'and more'.**

For example, the representations may show a 3D product which has 2D surface ornamentation in the form of a depicted tonal contrast between different parts of the product, and it can be unclear whether the 2D surface ornamentation is or is not to be construed as a claimed design feature, in combination with the 3D shape and configuration.

### Trunki demonstrated the importance of care in filing design registrations



If the representations show just a 3D shape with the product having a clear or empty surface which is free of ornamentation, it can be unclear whether the absence of ornamentation is being claimed as a design feature.

### Use of line drawings

The comment from the Supreme Court was that line drawings offer the best prospect for protecting the pure 3D shape of a product, but the justices did not find an answer (in the context of an RCD under EU design law) to whether line drawings, which inherently do not show any 2D surface ornamentation, do or do not mean that the absence of 2D surface ornamentation is a claimed feature of the registered design.

An answer may now be available nationally in the UK by the parallel option of applying for a national UK registered design under national UK design law and procedures.

### UK registered designs

The national UK route has always been available in addition to the EU route of an RCD application, but the national UK route has been less popular since the EU route first became available in 2003.

The national UK route may now be heading for a renaissance in the light of the new guidance provided by the UKIPO in its recent Designs Practice Note (DPN) 1/16, and also

because applicants may wish to revert to securing registered design protection in the UK under national UK law instead of under EU law, in the light of the Brexit vote for the UK to leave the European Union in the next few years (see the article opposite for our thoughts regarding design rights and Brexit).

### UKIPO DPN 1/16

The advice from the UKIPO in the recent Designs Practice Note is brief and to the point, but it should be effective in ensuring that a UK registered design is interpreted as covering only 3D shape, and not some combination of 3D shape with the presence (or positive absence) of 2D surface ornamentation.

The advice is that the UK registered design application should be prepared and filed including a written statement that "protection is sought for the shape and contours alone".

This statement will appear on the Certificate of Registration and will be used when interpreting the scope of design protection conferred by the UK registered design.

For further information, or to discuss your design strategy with a member of our design team, please do get in touch or visit our website design services page: [www.dyoung.com/designs](http://www.dyoung.com/designs).

**Author:**  
**Paul Price**



# European design law

## D Young & Co publishes our collection of European design case summaries

**W**e are pleased to announce the publication of our European Design Law book. This handbook is an invaluable reference guide to key decisions in a fast moving area that has particular relevance to the fashion, food and beverage, technology and other sectors which thrive on design and innovation. It features a selection of design law case summaries including decisions of the Court of Justice and General Court, important European Union Intellectual Property Office (EUIPO) Board of Appeal decisions, as well as notable UK infringement decisions.

### Significant design decisions

Hot on the heels of the 2016 headline UK Supreme Court 'Trunki' case (PMS International Group v Magmatic Ltd), the book highlights significant cases that are relevant to businesses and their strategies for protecting and enhancing their design portfolios. Other notable cases included in this publication are the leading Court of Justice case Pepsico v Grupo Promer Mon Graphic (Metal Rappers) and UK infringement decisions P&G v Reckitt (Air Freshener), Dyson v Vax (Vacuum Cleaner) and Samsung v Apple (Tablet Computers).

With its easy digestible format, this

### D Young & Co announces the publication of our 'European Design Law' book



book will be particularly useful to anyone with an interest in product development and commercialisation.

Cases are categorised into nine sections covering the key design subject areas: protection and scope, technical function, the informed user, overall impression and individual character, complex products, conflict with other IP rights, and relevant prior art.

**Illustration by Adrian Johnson**

D Young & Co was delighted to work with British graphic artist Adrian Johnson to design the book's cover illustration. Adrian is known for his economical, highly crafted graphic work. His reductionist approach, breaking down ideas and concepts into their purest form, goes hand in hand with D Young & Co's aim to produce a clear and concise guide to this complex area of the law.

**The book is co-edited by Richard Willoughby and Matthew Dick, both partners at D Young & Co LLP.**

### The book is organised into nine sections covering key design subject areas



Richard Willoughby comments: "Following the high profile UK Supreme Court decision in Trunki earlier this year, interest has never been greater in design law and practice than it is now. We hope that our single-volume guide to important European cases in this developing area of IP law will prove to be a useful reference tool and of interest to our clients, in-house counsel, design attorneys and businesses generally."

### Client copies of this publication

Copies of the book will be posted out to our clients in September 2016.

**Author:**  
**Rachel Daniels**





# European Patent Office New fee refund rules for abandoned applications

**W**hen a European application is abandoned for commercial reasons, it is sometimes possible to obtain a refund of some of the European Patent Office (EPO) fees paid for the application.

## Revised refund timings

The EPO is changing its rules (with full effect from 01 November 2016) so that a refund of the examination fee will now be allowed later than before.

## Comparing old and new examination fee refund rules

The diagram (right) summarises the change from the old to the new rules, showing the percentage of the examination fee which can be refunded at various stages of the prosecution.

Hence, a complete refund of the examination fee is available if the application is withdrawn before examination has started.

The EPO will start sending a letter informing the applicant of the start of examination at least two months in advance, to help determine whether a refund is available.

Also, a 50% refund is available if the application is withdrawn before the expiry of the time limit for responding to the first examination report. The application has to be formally withdrawn to qualify for the refund – no refund is possible if the application lapses because no response to the examination report is filed.






## Advice for clients

Where a commercial decision is taken to abandon a European patent application, your D Young & Co attorney can advise whether it is possible to gain an examination fee refund.

You may now qualify for a refund even if substantive examination has already begun and an official letter has already been received.

**Author:**  
Robbie Berryman



	Old	New
 Search report received	100%	100%
 Response to search report filed	75%	100%
 Examination started	0%	50%
 First examination report received	0%	50%
 First examination report response deadline	0%	0%

# UK design fees Effective 1st October 2016

## UK design fees 01 October 2016



**A** reduction in official fees charged by the UK Intellectual Property Office (UKIPO) for registered designs is likely to come into effect on 01 October 2016. This reduction was foreshadowed earlier this year in the UK Government's response to a public consultation on whether to change the regime of official fees for UK registered design applications and granted UK registered designs.

It is now known that, subject to the government implementing the necessary legislation, the reduction in official fees will come into effect on 01 October 2016.

Among other changes, the official renewal fees (payable every five years) will be reduced:

	Current official renewal fee	New official renewal fee (01 Oct +)
1st renewal (5th anniversary)	£130	£70
2nd renewal (10th anniversary)	£210	£90
3rd renewal (15th anniversary)	£310	£110
4th renewal (20th anniversary)	£450	£140

## Actions for design right owners

This presents a planning opportunity for proprietors of existing UK registered designs which are coming up for renewal later in 2016. Assuming that the renewal fee is due on or after 01 October 2016, you may wish to avoid paying the renewal fee early (at the existing, higher rate) and delay paying until after the renewal fee reduction has come into force.

**Author:**  
Paul Price



# D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

## Exam success Qualified attorneys Anton Baker, Antony Latham and Tom Pagdin

**C**ongratulations to Anton Baker, Antony Latham and Tom Pagdin, who have recently passed their European Qualifying Examinations (EQEs) and established their aptitude and knowledge to represent applicants before the European Patent Office (EPO). Anton, Antony and Tom are also Chartered Patent Attorneys (representing clients at the UK Intellectual Property Office (UKIPO)).

Anton joined our electronics, engineering & IP group in 2012, having completed a doctorate in experimental studies of graphene and carbon nanotube structures for nanoelectronic applications at the University of Oxford. During his master's degree Anton specialised in both particle and condensed matter physics, studying the underlying physics of key technologies that are the foundation of the modern high-tech sector, including semiconductors, lasers, photovoltaics and detection techniques.

Antony also joined us in 2012, having conducted his doctoral research in endothelial cell biology, with particular emphasis on small molecule inhibitors of pro-angiogenic signalling pathways. A member of the firm's biotechnology, chemistry & pharmaceuticals group, Antony specialises in pharmacology, biochemistry, molecular biology, biotechnology and organic chemistry.

From left to right, Anton, Antony & Tom



Also a member of the biotechnology, chemistry & pharmaceuticals group, Tom has a strong background in biochemistry, immunology, molecular biology and genetics. His doctoral research involved profiling the regulation of gene expression in asthmatic airway smooth muscle cells. He also completed work investigating the role of chromatin structure in the regulation of immunoglobulin heavy chain class switch recombination.

We are committed to developing talented individuals with the passion and initiative to build successful careers with us as patent, design and trade mark attorneys, and are proud that our "reputation for training is second to none in the profession" (Legal 500). We wish Anton, Antony and Tom, our most recently qualifying attorneys, every success in their careers with us at D Young & Co.

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