

# BREXIT and Intellectual Property - Patents

Much as we at Matheson would prefer a sensible deal, which provides certainty to organisations with business interests in the United Kingdom, it is apparent that a “hard” Brexit is becoming more likely. Of concern to all is the impact of Brexit on key assets and business areas. In a flurry of notices over the last 12 months, both the European Union and the United Kingdom have signalled what each believes the impact of a “hard” Brexit will be.

**This article dealing with patents is the first in a series of articles analysing the impact of Brexit in the area of intellectual property. We have highlighted here the impact anticipated by each side in the area of patents, along with some thoughts of the Matheson intellectual property team.**

As an asset class that is created by law, the instability and uncertainty created by Brexit is not welcomed by those relying upon intellectual property rights as key business assets. It is sensible to take note of the affects of Brexit for each intellectual property right, and to plan accordingly.

Summary of impact on patents according to the EU notice	Summary of impact on patents according to the UK notice	Matheson recommendations for action and points to note
<p><b><u>Calculation of Duration of Supplementary Protection Certificate</u></b></p> <ul style="list-style-type: none"><li>▪ An authorisation to place the product on the market granted by a UK competent authority <u>as of the withdrawal date</u> will not be considered a first authorisation to place the product on the market in the EU.</li><li>▪ An authorisation to place the product on the market granted by a UK competent authority <u>before the withdrawal date</u> is to be considered as the first authorisation to place the product on the market in the EU.</li></ul> <p><b><u>Applications for Supplementary Protection Certificates</u></b></p> <ul style="list-style-type: none"><li>▪ As of the withdrawal date, Regulation (EC) No 469/2009 (medicinal products) will no longer apply to the UK.</li><li>▪ As of the withdrawal date, Regulation (EC) No 1610/96 (plant protection products) will no longer apply to the UK.</li></ul> <p>Withdrawal of the United Kingdom and EU Legislation in the field of Supplementary Protection Certificates for Medicinal Products and Plant Protection Products, as published on 27 April 2018. <a href="https://ec.europa.eu/info/sites/info/files/file_import_supplementary_protection_certificates_en.pdf">https://ec.europa.eu/info/sites/info/files/file_import_supplementary_protection_certificates_en.pdf</a></p>	<p><b><u>Patents and supplementary protection certificates</u></b></p> <ul style="list-style-type: none"><li>▪ EU legislation on supplementary protection certificates will be kept in UK law.</li><li>▪ All other EU legislation relevant to patents and supplementary protection certificates will be kept in UK law.</li><li>▪ Any existing rights and licences in force in the UK will remain in force in the UK after March 2019.</li><li>▪ Conditions for patenting biotechnological inventions will remain in place.</li><li>▪ Compulsory licensing - UK, EU or third country businesses as holders of patents or plant variety rights which are valid in the UK will continue to be able to apply in the UK for a compulsory licence, <u>where there is an overlap between the rights</u>.</li><li>▪ UK, EU and third country businesses will continue to be able to obtain a compulsory licence in the UK for manufacturing a patented medicine to meet a specific health need in a developing country.</li><li>▪ Pharmaceutical product testing - UK, EU or third country businesses can continue to rely on the exceptions from patent infringement provided for various studies, trials and tests carried out on a pharmaceutical product</li></ul> <p><b><u>Unitary patent and Unified Patent Court</u></b></p> <ul style="list-style-type: none"><li>▪ The Unified Patent Court will be an international patent court established through an international agreement (the Unified Patent Court Agreement) between 25 EU countries. The UK has always supported the Unified Patent Court, and ratified the Unified Patent Court Agreement after the referendum vote. The Unified Patent Court is not yet in force because it has not been ratified by all members.</li></ul>	<ul style="list-style-type: none"><li>▪ The European Patent Office is not an EU institution, so patents are not as impacted by Brexit as other IP rights.</li><li>▪ However, EU laws do govern supplementary protection certificates for pharmaceutical and plant protection products, which are based on underlying patents.</li><li>▪ Patent strategies are also informed by the Biotech Directive (98/44) and the IP Enforcement Directive (2004/48). These are European laws and care needs to be taken to analyse the impact of Brexit on patents impacted by the Biotech Directive and in any IP enforcement strategy involving a UK and European element.</li><li>▪ The IP Enforcement Directive has been implemented as part of laws in all EU Member States, including in the UK. It sets out remedies which every Member State must ensure are available in their jurisdictions. The IP Enforcement Directive will not apply to the UK post Brexit which is likely to impact on decisions upon where to begin enforcement proceedings.</li><li>▪ Review all plans for patent protected product launches involving the United Kingdom; separate decisions will need to be taken regarding placing in the UK market and placing in the European Union.</li><li>▪ Review the counterfeit and grey goods policies, which often contain information about strategies for dealing with placing goods on the market and European enforcement strategies.</li><li>▪ Identify any patent agreements dealing with the UK market and consider what restructuring and future-proofing is required.</li></ul>

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## Summary of impact according to the EU notice

## Summary of impact according to the UK notice

## Matheson recommendations for action and points to note

- In a 'no deal' scenario, the UK is committed to exploring whether it would be possible to remain within the Unified Patent Court and unitary patent systems.
- If the Unified Patent Court comes into force and the UK needs to withdraw from both it and the unitary patent, businesses will no longer be able to use the Unified Patent Court and unitary patent to protect their inventions within the UK
- Existing unitary patents will give rise to equivalent UK patent protection to ensure continued protection in the UK
- UK businesses will still be able to use the Unified Patent Court and unitary patent to protect their inventions within the contracting EU countries
- UK businesses will still be open to litigation within the Unified Patent Court based on actions they undertake within the contracting EU countries if they infringe existing rights
- EU businesses will no longer be able to use the Unified Patent Court and unitary patent to protect their inventions within the UK but will be able to apply for domestic UK rights as they can now, via the UK Intellectual Property Office and the non-EU European Patent Office

### **Correspondence addresses and confidentiality for UK patents**

- There will be no immediate changes to the UK address for service rules.

"Patents if there's no Brexit deal", as published on 24 September 2018

<https://www.gov.uk/government/publications/patents-if-theres-no-brexit-deal/patents-if-theres-no-brexit-deal>

- The laws applicable to compulsory licensing of patents or plant variety rights will be impacted, and any involving the UK, should be reviewed now.
- Consider carefully the governing law and jurisdiction provisions applicable to any patent agreements; the issue of which laws should apply and the courts that are to have jurisdiction in the event of a dispute remains complex and a careful strategic approach is recommended, particularly if you wish to preserve access to the European Courts.
- The UK courts will not be required to follow the decisions of the Court of Justice of the European Union, including any provisions in UK national law that have been derived from EU Directives such as the Biotechnology Directive and the IP Enforcement Directive. Whilst the current regime may stay the same for a period after the UK leaves the EU, there will likely be divergence in the future including in terms of the impact of case law.
- If you use a UK patent agent to deal with patents in other parts of Europe you should confirm that he or she remains eligible to continue to act under post Brexit. Similarly you will need to keep under review any use of a non-UK patent agent to act in the UK post Brexit.
- The Unified Patent Court is not yet accessible to clients, but keep a watching brief on developments involving the United Patent and the Unified Patent Court, as further legal steps are required to facilitate the realisation of the UK's preferred position in their current notice. It is envisaged that the Court of Justice of the European Union would have a role in the structure of the UPC. It remains to be seen if the UK can reconcile its participation in the UPC and the CJEU's jurisdiction in this area.

For further information on the topics of patents and the impact of Brexit, or for assistance with your intellectual property plans, please contact:



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