



## Sign on the digital line

### Electronic execution of IP Documents

The Covid-19 pandemic has challenged all our expectations of working life, with many of us in Europe now working remotely for at least the next few weeks/months. This new way of working will have many knock-on effects, including needing to find work arounds and new approaches for tasks previously carried out in the office or in-person.

In this article we will: (i) clarify the position on digital execution of documents in the UK; (ii) examine the signature requirements for documents to be recorded at the UKIPO or EPO (i.e. when are “wet-ink” signatures required); and (iii) consider the options for obtaining notarised and/or legalised documents for recordals at IP offices (where this is required).

The majority of this article focusses on the position in the UK, but before we do that, a word on digital execution globally. There is growing acceptance of e-signatures in many jurisdictions, but if you are executing IP assignments or other documents which need to be recorded globally, wet-ink signatures remain the most globally accepted method. At present, you may wish or need take a dual approach – using e-signatures where you know they are valid and will be accepted, but for documents that need to be used/filed in multiple jurisdictions (where you don’t know if e-signatures will be accepted), using wet-ink signatures may be the safest option.

#### What is “digital execution”?

There are many different words which can be used to describe the digital execution of documents. For the purposes of this article, the key distinction to be drawn is between “wet-ink” signatures (i.e. someone signing a physical document using a pen) and “electronic signatures” or “e-signatures” – this is an umbrella term covering all forms of signature by electronic means.

#### Digital execution in the UK

Case law in England has determined that e-signatures will be accepted in a wide range of situations. This includes documents where there is a statutory requirement for them to be “signed” in order to be valid (such as in relation to the assignment of IP rights – see below for more on this). Provided that the signatory inserts the electronic signature in the appropriate place in the document with the intention of authenticating it, the statutory requirement will be satisfied.

In addition, the English Courts have confirmed that an electronic signature has the same status as a wet-ink signature (*Golden Ocean Group Ltd v Salgaocar Mining Industries Pvt Ltd*. [2012] EWCA Civ 265) and have accepted a variety of marks as valid signatures. This includes signing with an “X” or signing with a mark (even where the party executing the mark can write), both of which are likely to be less specific and less certain than the use of an electronic signature.



The English law approach to e-signatures is summarised in the [Law Commission's 2019 report](#) on electronic execution of documents. The report details a series of propositions based on case law which together form the current legal framework for accepting e-signatures in England, Wales and Northern Ireland (note that the position in Scotland is different).

## **Assignments of Intellectual Property Rights: Patents, Copyright, Trade Marks, Registered Designs**

Under English law, a valid assignment of UK patents, copyright, trade marks (UK and EU) and all forms of design right (UK registered and unregistered and EU registered and unregistered) must be in writing, which may be an electronic document, and be signed by or on behalf of at least the assignor (an assignment of an EU trade mark generally also needs to be signed by the assignee). Signatures may be in writing (i.e. wet-ink) or an electronic signature.

However, there is one significant exception to the acceptability of e-signatures on IP assignments: assignments of European Patent applications (in our experience, the EPO will not accept assignments where the signatures are e-signatures).

## **Simple contracts (e.g. NDAs or employment contracts)**

A simple contract is an agreement between two or more parties where there is an accepted offer (for example for exchange of goods or services), consideration and an intention to create legal relations. In practice, this includes most commonly encountered contracts, including non-disclosure agreements and employment contracts.

Under English law, execution of a simple contract by a company or a limited liability partnership must be in accordance with the provisions of the UK Companies Acts and the parties' own internal rules. Whilst the use of e-signatures on simple contracts is not prevented by the Companies Acts, the parties may have internal rules which do (in addition to issues such who can sign and if more than one signature is required for a valid execution).

Accordingly, before agreeing to execute a simple contract by e-signature, it would be prudent to confirm that it's allowed under the signatory's internal rules on document execution.

## **Powers of Attorney**

IP owners will frequently need to grant powers of attorney in order to authorise third parties to act for them. We also often see (and use) "further assurance" clauses in IP assignments. The purpose of a further assurance clause is to ensure that the assignor will sign any further documents and do any further acts as may be required for the assignment to be completed – for example, assisting with any project to record the change of owner on IP registers. Many further assurance clauses also qualify as a power of attorney.

This Act requires that powers of attorney are executed as deeds. Under English law, the execution formalities required for deeds are more stringent than those required for simple contracts. These requirements will vary depending on the party executing (e.g. an individual, company, limited partnership), but generally there is a requirement for a deed to be "*signed in the presence of a witness*". Whether the signature is applied using "wet-ink" or electronically, the witness must be in the same room as the signatory – it is not possible for a signature to be witnessed virtually, for example, via video call.

Accordingly, if you are executing powers of attorney and English law applies, you will need to execute the document as a deed and ensure that a third party is available (in person) to witness the signature.

## **Recordal of documents at the UK Intellectual Property Office (UKIPO) European Patent Office (EPO) and European Union Intellectual Property Office (EUIPO)**

### **UKIPO**

Electronic signatures are a valid form of execution of IP assignments under English law.



As a result, they can be used in documentation which is submitted to the UKIPO to record transfers of ownership against the UK IP registers for patents, trade marks and designs. Law of Property (Miscellaneous Provisions) Act 1989, s 1(3).

It is worth noting that where the recordal of a transfer is requested either by the registered IP proprietor or their recorded agent, it will not usually be necessary to file a copy of the transfer document at the UKIPO. This does not change the position in relation to the underlying validity of the assignment documents, but it can help smooth the recordal process in cases where the underlying documents contain confidential material or the parties would prefer not to file them with the UKIPO.

## **EPO**

As set out above, our experience is that electronic signatures are not accepted by the EPO except in the context of using EPOLine to file documents electronically. Specifically, they are not an accepted form of execution on assignments or powers of attorney filed at the EPO.

However, there are few other requirements for assignments of European Patent (EP) applications. For example, there is no requirement that they be witnessed or notarised. If you do need to record assignments of EP applications, the recordal is carried out electronically – by submitting scanned copies of assignments. Typically, a party's EPO representative will record the assignment at the EPO by filing a request letter, a copy of the assignment and paying the relevant fee. Although digital signatures are not permitted, no originals are required and the parties may sign in counterparts. This ability to use scanned counterparts may be of assistance at the moment when many of us are working remotely and obtaining original signed documents may be difficult. The signed originals should, however, be retained in case required for evidential purposes in the future.

The EPO's other requirements about the authority of the individuals executing the assignments and their ability to bind the parties continue to apply. If you need further guidance on this, please refer to our previous [article](#).

## **EUIPO**

Assignments of EUTMs or Community Designs executed via e-signature are acceptable at the EUIPO. The EUIPO does not consider whether an assignment is valid when registering it – it merely looks to see if the transfer document matches with the assignment provided, i.e. are the registered proprietor and assignee identical and is the trade mark correctly identified.

In order to ensure that the underlying assignment is valid, parties are advised to include a governing law clause specifying that the assignment is governed by a national law which permits e-signature (e.g. the law of England).

## **Notarisation and Legalisation**

“Notarisation” generally refers to one of two things: (i) a notary witnessing a signature, i.e. a party executing a document in the presence of a notary to which the notary affixes a notarial attestation that the party executed the document in their presence (and may include confirmation that the individual signatory was authorised to bind the party); or (ii) a notary providing a copy of an original document which is certified by the notary to be a true copy of the original document.

There is rarely a requirement under English law, or for recordal at the UKIPO, for a document to be executed in the presence of a notary or for notarised copies of documents to be provided. Specifically, this is not required for any document mentioned in this article (i.e. assignments of IP, powers of attorney, simple contracts). However, many IP offices around the world will not accept agreements/assignments filed for recordal purposes unless the signatures have been witnessed by a notary and/or notarised copies of the originals have been provided.



Applying the general English law approach to witnessing of documents set out above, it will not be acceptable for notaries to witness the execution of documents unless they are in the same location as the signatory. Accordingly, it will be difficult to comply with these formalities during the current pandemic whilst parties are practising social distancing. In our experience, however, there are only a handful of countries in Europe which require this type of notarisation. If you receive a request for this type of notarisation, please let us know and we will enquire with our local agents. It is possible that IP offices will relax their usual requirements under the current circumstances.

We expect that it will remain possible for parties to obtain certified true copies of documents from notaries for the foreseeable future. That depends, however, on the ability of the parties to obtain and courier original wet-ink signed documents to notaries so that the copies can be made.

There are software programs aimed at offering e-notarisation as a way to enable notaries to have an equivalent to e-signature. However this is not universally accepted. If you are considering this option, it is important to consider the local requirements in the country in which the documents will be used – we can work with you and our notary contacts to advise on whether e-notarisation is a possibility for the recipient jurisdiction.

Turning to “legalisation” (the process of authenticating or certifying a document so it will be recognised as having legal effect in the country where it is being used), certain IP registries won’t accept documents unless they have been legalised. The UK Government’s legalisation service has been suspended during the current pandemic except for “exceptional” documents. There is no guidance as yet in relation to what “exceptional” documents are, but we would not expect it to include assignments of IP or powers of attorney where they need to be legalised. This may well be the case in other countries.

Where legalisation is not possible, other options may be available. For example, some countries will accept a secure notarial seal instead. Again, caution is recommended here as this will very much depend on the requirements of the destination country. A further option where the relevant document has been notarised but there is difficulty in obtaining legalisation in time to meet an upcoming IP office deadline, is to email the local agent a scanned copy of the existing notarised document. This can be filed at the IP office to try and ensure that the deadline is met, at the same time explaining to the office that the hard copy legalised document (bearing the original notarisation and legalisation) will follow by courier as soon as the legalisation formalities are completed, and explaining as necessary the particular issue holding up the legalisation step. From experience, this approach of filing just notarised documents has worked in the past at certain IP offices as a necessary “place holder”. In the current climate even more so, one would imagine that this approach would be acceptable – it should in any case be discussed with the local agent.

If getting documents legalised is something that you are currently working through, we can help by bringing together knowledge from our Transactions team, notaries and local agents to try and find a practical solution.

## **Practical steps**

Documents executed by e-signatures are generally acceptable for use in the UK. The most significant difficulty we have in using e-signed documents is at the EPO in relation to European Patent applications. That said, given that only scanned documents need to be filed at the EPO, we would hope that parties will still be able to obtain the necessary signed documentation – even if that means downloading a scanning app!



Here's a checklist which may be helpful when determining whether to use an electronic signature:

- Are they acceptable under the law governing the agreement?
- If no governing law is specified – are electronic signatures valid under the law of the countries in which the parties are located?
- Is the document a deed or are witnesses for the signatures otherwise required? If so, are there witnesses available who are physically present with the signatories?
- Where the agreement is intended to transfer IP rights - are digital signatures accepted by the IP registry at which the agreement will be recorded?
- Will notarisation and/or legalisation be required? If so consider the countries for which this will be required prior to execution and seek advice from local agents as to the best way to comply with local requirements

As a final note, the mass remote working event caused by Covid-19 is causing all of us to re-think what we do and how we do it. We would expect IP offices and governments to continue to review the situation, including acceptance of e-signed documents, over the coming weeks and months. We will keep you updated on key developments for the UK and Europe as matters progress. If you do have any specific questions for us, please let us know.

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## Need advice?

Carpmaels & Ransford is a leading European IP firm based in London. For more information about our firm and our practice, please visit our website at: [www.carpmaels.com](http://www.carpmaels.com).

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