

SEA CHANGE FOR BVI

Katherine Van Deusen Hely hails the modernisation of this wealthy territory's trade mark laws

One of the last Commonwealth Caribbean holdouts to update its trade mark laws, the British Virgin Islands (BVI) has taken significant steps over the past two years to modernise the local trade mark regime. This long-awaited overhaul went into effect on 1 September 2015, following a proclamation earlier in the year.

The Trade Marks Act 2013 was passed in April 2013, but not until a year later were the draft Trade Mark Rules 2014 published for comment. The local Government finalised and issued the new rules on 15 April 2015.

The BVI consists of the four main islands of Tortola, Virgin Gorda, Anegada and Jost Van Dyke, as well as a number of smaller islands. Of the approximately 28,000 people living in the BVI, more than 80 per cent reside on Tortola, the island home to the BVI's capital city, Road Town. As may be expected, offshore financial services and tourism play a large role in the local industry, which has contributed to this territory becoming one of the wealthiest in the Caribbean.

An English common law jurisdiction, the BVI is similar to other common law jurisdictions in that it grants some rights in a trade mark to the entity first to use the



mark over the first to file. The new act confirms that nothing in it shall affect the common law right of action for passing off or related remedies. However, the act makes clear that there will be no proceedings to prevent or collect damages for infringement of an unregistered mark.

DUAL SYSTEM DONE

For years, the BVI has protected trade marks via a dual system of registration. Trade mark owners holding a UK trade mark registration have been able to use such registrations as a basis for filing in the BVI. The resulting UK-based registration in the BVI would generally mirror the underlying UK registration. Further, the term of validity would be tied to that of the UK registration.

In comparison, applicants without an existing UK registration could register locally for goods only; it has not been possible to register for services except on the basis of a prior UK registration. The classification of goods for local registrations has been according to the old British classification system and not the international classification system. This old classification system covers goods in a total of 50 classes – many of which are somewhat antiquated. As might be imagined, this system has proved unwieldy at times, leaving something to be desired in the protection of the modern trade mark owner's goods.

The new laws eliminate the dual filing system and provide for a unified trade mark registration regime that protects both goods and services according to the latest edition of the Nice Classification system. Class headings will no longer be accepted. For unadvertised applications filed under the old act, applicants may request that examination be conducted in accordance with the new act. Such requests must be made within six months of the commencement date of the new act. All new applications are subject to absolute and relative grounds of refusal.

Paris Convention priority will be available, well-known marks will be recognised and defensive trade marks may be registered – the latter being predicated on the mark becoming “exceptionally well known in the Virgin Islands”. In addition, the act states that the registry shall maintain a register of Geographical Indications. BVI is not a party to the Madrid Protocol and, notably, the new laws do not make provision for joining Madrid.

IMPORTANT PROVISIONS

Oppositions may be waged by any person with an interest in the mark. The opposition period is three months from the date of publication of the application.

Within the Registrar's discretion, extensions of time may be granted for almost any action unless there is good reason not to grant such an extension.

Under the new system, marks will be registered for a period of 10 years and renewed for like periods of 10 years. The change in the period of validity of new registrations will not affect the renewal period for existing registered trade marks, which will continue for the full remainder of their existing terms and thereafter be renewed for periods of 10 years. Existing local registrations are valid for a period of 14 years and UK-based registrations are coterminous with the underlying UK registrations.

Prior use in the BVI is not necessary for registration. Failure to use a registered mark within three years following the date the mark is actually registered may render the mark vulnerable to a third-party revocation action. However, revocation may be avoided if special circumstances posed an obstacle to local use of the mark.

Existing trade mark registrations will be automatically transferred to the new register. UK-based registrations will not require reclassification. As such, registrations would already be classified according to the international classification system. This is in contrast to existing local registrations, for which the new laws provide the Registrar with discretion to reclassify goods previously classified according to the old British system. Before proceeding with reclassification, the Registrar must give notice to mark owners to allow time for objection.

Also within the Registrar's discretion is restoration of a trade mark that has not been renewed within the prescribed time. Restoration may be available within six months of expiration upon application by the owner and payment of late penalty fees.

All disclaimers required under the old laws will be deemed transferred to the new register and shall have effect as if entered under the new law.

Although it was previously difficult to cancel an existing registration in the BVI, the new act provides that any person may make an application for cancellation of a registered mark on various grounds. Mark owners may apply to cancel their own marks for some or all of the goods or services for which the mark is registered. In addition, it will be possible for an aggrieved person to apply for and obtain a declaration of invalidity.

Consistent with the TRIPS Agreement, the new act provides that the proprietor or licensee of a registered mark may give notice to the BVI's Commissioner of Customs to restrict importation of infringing goods, and the court may order the forfeiture and destruction of infringing goods. ■



Katherine Van Deusen Hely

is Founder of Caribbean IP, West Palm Beach, Florida

Katherine@Caribbean-IP.com

Katherine is admitted to practice in Florida, holds a Legal Education Certificate from the Eugene Dupuch Law School (Nassau, Bahamas) and a Doctor of Jurisprudence from Vanderbilt University.