

## New legislation will alter scope of trademark protection International - Caribbean IP

## Certification/collective marks National procedures

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On August 31 2016 the Cayman Islands released to the public new draft legislation that, once enacted, will alter the scope of trademark and design protection. Arguably most importantly, the proposed legislation will establish an independent system for the registration of local trademarks, in contrast with the current system of allowing registration in the Cayman Islands only on the basis of an existing UK or EU trademark or international registration designating the United Kingdom. The legislation will also establish design rights in the Cayman Islands by allowing the extension of unregistered UK or registered UK or EU designs. However, this article focuses on the proposed trademark legislation.

The three proposed bills affecting intellectual property (the Patents and Trademarks (Amendment) Bill, 2016, the Trademarks Bill, 2016 and the Design Rights Registration Bill, 2016) will likely be considered at the Legislative Assembly's next meeting, beginning on October 4 2016. To become law, the bills must pass the 18-member Legislative Assembly and receive the assent of the sovereign, typically through the governor acting on her behalf.

If enacted, the Cabinet of the Cayman Islands will have regulatory powers relating to the laws, including the power to determine the effective date or dates and the setting of trademark fees. Moreover, the Cabinet is empowered to introduce transitional regulations, specifically including determining the application of the current law (the Patent and Trademarks Law, 2011) or the proposed law to marks existing before the effective date of the proposed legislation.

Under the proposed law, rights holders will be able to seek a Caymanian trademark by local application, which must include:

- contact information;
- a statement and classification of goods and services; and
- a representation of the mark.

Special provisions of the law provide for the registration and use of collective and certification marks. There are no specific provisions relating to Paris Convention priority filings.

If a mark proceeds to registration, the filing date will serve as the effective date of the registration. Registrations will be valid for 10 years and renewable for successive 10-year terms. Renewals will be due on or before the expiration of the previous registration, although the law provides for a six-month grace period. As has been the practice for a number of years, rights holders will still be required to pay annual maintenance fees during the first quarter of each year or have their rights held in abeyance until they pay the fees and a penalty. Fees under the proposed bill will be set later by regulation, but the current fees are approximately \$244 plus \$122 for each additional class.

Examination of the mark will include a search of earlier marks, to the extent that the registrar deems this necessary. Following examination and the resolution of any office actions, accepted applications will be published for a 60-day period for the purpose of opposition.

Rights holders will be able to transfer marks and assign security interests. Assignments and licences will be ineffective unless recorded in signed written form. These transactions will also be ineffective against an ignorant third party that acquires a conflicting interest, unless recorded. Failure to record the transaction within six months may limit the availability of damages and account of profits in an infringement action.

Trademark rights will constitute personal property rights and afford the rights holder the ability to seek remedies accordingly, including damages, injunctive relief and account of profits. The law will provide for the removal of infringing marks or the destruction of goods or other materials to which they are affixed. A means to order the delivery up of such items pending the court's determination regarding forfeiture or destruction will also exist.

The law will provide for criminal and customs-based enforcement mechanisms, including a number of criminal offences relating to counterfeiting, false representation of a mark as registered and interference with an officer's search, seizure or investigation relating to a mark. The law will also establish a means to notify the collector of customs about infringing goods or other illegal items expected to enter the Cayman Islands. Except for imports for private domestic use, customs officials will be empowered to confiscate infringing goods.

Unregistered marks will retain some status if the law is enacted. The use of certain existing unregistered marks will not infringe a registered mark. The law will not affect the law relating to passing off or the transfer of unregistered marks as part of a business's goodwill. However, civil infringement actions and criminal enforcement will be available only in relation to registered marks.

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