

New Cayman Islands Trade Marks and Designs Laws Will Become Effective on 1 August 2017

By Sophie Davies, HSM IP, Cayman Island

The Trade Marks Law, 2016, the Design Rights Registration Law, 2016 and the Patents and Trade Marks (Amendment) Law, 2016, which were passed late 2016, will be implemented in the Cayman Islands on 1 August 2017.

What is the impact of the Trade Marks Law, 2016?

The practice of re-registering UK and EU trade mark registrations to the Cayman Islands will end on 31 July 2017. As of 1 August 2017, the Cayman Islands Intellectual Property Office (CIIPO) will only accept national Cayman Islands applications, filed by a registered agent in the Cayman Islands. No power of attorney is required. Unlike applications filed under the existing law, applications filed under the new law will be examined on absolute and relative grounds and published for opposition purposes (third parties will have 60 days from the date of the publication of the application to oppose). There are no intent to use requirements on application under the new law and notably there is no procedure for the revocation of a Cayman trade mark registration on grounds of non-use. However, annual fees will continue to be payable on all Cayman trade marks.

Trade marks registered under the current law will remain in force and will be treated in the same manner as national trade mark registrations from 1 August 2017 onwards. There will be no change to the next renewal date of marks registered in Cayman prior to the implementation of the new law; marks registered under the current law will continue to fall due for renewal on the same date that the underlying UK or EU trade mark registration falls due for renewal (i.e. 10 years from the filing date of the UK / EU registration). However, future Cayman trade mark renewals will no longer be dependent on the renewal of the underlying UK or EU trade mark registration. The renewal period of marks filed under the new law will be 10 years from the date of filing.

Proprietors of UK or EU trade registrations who want a fast track to registration in the Cayman Islands should carefully consider re-registering in the Cayman Islands before the new law comes into force. In doing so, such proprietors will avoid the possibility of an office action or third party opposition proceedings being issued and therefore minimise costs.

What is the impact of the Design Rights Registration Law, 2016?

The new law provides owners of original UK registered designs (UKRDs) and registered Community designs (RCDs) with the opportunity to extend their rights to the Cayman Islands. The extension / re-registration process affords the owner all the equivalent rights and remedies available to them in respect of that design right in the UK. The Cayman Islands does not have its own unregistered design right regime, so protection should be sought through the registration process. In order to obtain protection, applications must be made via a registered agent in the Cayman Islands. No power of attorney is required. All that is needed to proceed are the particulars of the UKRD or RCD to be re-registered, along with the applicable fee.

Given that most applications should be accepted on the basis that they have already been registered in the UK or the EU, generally it will not be necessary to conduct a pre-application search of the Cayman Designs Register. Examination will be limited to checking the particulars of the UKRD / RCD and determining whether the application consists of or contains: (a) national flags, insignia of royalty, insignia of international organisations and national emblems or the design of such flags, insignia or emblems; or (b) words, letters or devices likely to lead persons to think that the applicant either has, or recently has had, government patronage or authorisation. Such applications will be accepted only if the Registrar is satisfied that consent to the re-registration has been given by, or on behalf of, the respective government or international organisation.

Once an application passes the examination stage, it will proceed to registration and a certificate of registration will be issued. The duration and validity of the Cayman registration will be entirely dependent on the duration and validity of the underlying UKRD or RCD. The Cayman re-registration will have the same expiry / renewal date as the underlying UKRD or RCD.

Annual maintenance fees will become payable on 1 January each year until the expiration or renewal of the Cayman Islands Design Registration. A penalty fee will be incurred where annual fees are not paid within the grace period, which ends on 31 March each year. Upon renewal, the annual fee cycle will begin again. Failure to pay annual fees will result in the rights protected by the registration being placed in abeyance, and the proprietor will be unable to enforce the registration against third party infringers in the Cayman Islands. Furthermore, it will not be possible to process renewals until all outstanding annual fees are paid up to date. Moreover, default in the payment of the annual fees and penalties for more than twelve months renders the record of a design right liable to cancellation by the Registrar.

What is the impact of The Patents and Trade Marks (Amendment) Law, 2016?

The primary purpose of the Amendment Law is to essentially strip out all references to "trade marks" in the existing Patents and Trade Marks Law in order to make way for the new Trade Marks Law, 2016. Whilst under the new trade marks law only national trade mark applications will be accepted in the Cayman Islands, the Amendment Law will continue to provide for the re-registration / extension of UK Registered Patents to Cayman; there is no national registration route.

One interesting addition to the existing law concerns the assertion of patent infringement in bad faith. Section 15A of the new Patents Law provides that "A person shall not make an assertion of patent infringement in bad faith [...]" in the Cayman Islands. The Court will not recognize or enforce a foreign judgment or give effect to an estoppel based on a foreign judgement insofar as the claim is based on an assertion of patent infringement made in bad faith. Given that Cayman has not to date been a target jurisdiction for patent trolls it is doubtful whether the new provision will be utilised.

In case you are interested in proceeding with a re-registration prior to 1 August 2017, please contact our office HSM IP Ltd., Jennifer Cotarelo-Choice at jcotarelo-choice@hsmoffice.com.

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If you would like more information on the new laws or have any queries please contact our attorney, Sophie Davies, at sdavies@hsmoffice.com.

Expertise

Sophie Davies' practice focuses primarily on all aspects of intellectual property protection, enforcement, and dispute resolution. She manages a team of highly skilled and professional IP Paralegals as a part of our Intellectual Property Practice.

Professional Background

Sophie joined HSM IP in January 2015 after working as a Solicitor specialising in Intellectual Property litigation at King & Wood Mallesons' London office (formerly SJ Berwin LLP) since March 2010. Sophie also completed her training contract at SJ Berwin LLP during the period February 2008 to February 2010 and undertook seats in the Finance, Media (with a focus on Film Finance), Intellectual Property and Corporate departments and also at Parliament under the supervision of Jonathan Djanogly MP. Sophie's portfolio includes management, advising clients on matters of trade mark, copyright, design and patent law, drafting and reviewing assignments, licences and settlement agreements and handling all IP related disputes. Sophie works on the committee responsible for drafting new IP legislation in the Cayman Islands and is also a member of the Intellectual Property Caribbean Association (IPCA), AIPLA and MARQUES.