

How the Cayman Islands has Modernised Intellectual Property Protection

Author:

Gene A. DaCosta, Partner

Due to global technological developments and trends, the Cayman Islands is pursuing a strategy to modernise its intellectual property protection regime by providing new protections for patents, trade marks and design rights. As a result, last year, the *Patents and Trade Marks (Amendment) Bill, 2016*, the *Trade Marks Bill, 2016* and the *Design Rights Registration Bill, 2016* were published.

Patent and Trade Marks (Amendment) Law, 2016

The current law (*Patents and Trade Marks Law, 2011*) enables proprietors of United Kingdom (“UK”) patents to automatically extend their registered patents into the Cayman Islands. The *Patents and Trade Marks (Amendment) Law, 2016* (the “New Patents Law”), which is expected to come into force in the first half of 2017, will maintain the status quo as it relates to patents (i.e. the extension of patents registered in the UK into the Cayman Islands) whilst ‘stripping’ out the provisions of the current law that relate to trade marks to pave the way for a new trade marks law.

In addition, the New Patents Law includes a provision which will prevent the “assertion of patent infringement in bad faith”. These ‘anti-patent trolling’ provisions will mean that the Court will not recognise or enforce or give effect to an estoppel based on an assertion of patent infringement made in bad faith.

Trade Marks Law, 2016

The *Trade Marks Law, 2016* makes provision for the direct registration of collective marks and certification marks and establishes a new stand-alone trade mark registry (the “New Trade Marks Law”). Whilst the commencement date of the New Trade Marks Law is still unknown it was gazetted on 19 December 2016, and is expected to enter into force in the first half of 2017 once the associated regulations have been finalised.

The New Trade Marks Law will abolish the existing system of extension of a trade mark which had to first be registered in the UK prior to being extended to the Cayman Islands by providing a mechanism for the direct registration of trade marks in the Cayman Islands.

The New Trade Marks Law will allow a business wishing to protect its trade mark in the Cayman Islands to avoid the added expense of first obtaining a UK trade mark. In addition, the current law in the UK makes registration of trade marks intended for local use in the Cayman Islands subject to potential challenge by a third party in the event that the owner cannot prove use of the trade mark in the UK within five years of obtaining the UK registration. It has also been observed that the word “Cayman” has been registered in the UK which has resulted in businesses based in the Cayman Islands facing needless obstacles in securing a UK trade mark registration where the trade mark registration includes the word “Cayman”.

The New Trade Marks Law which provides for a system of local registration will prevent any one person having the exclusive right of the use of such words as “Cayman” and will negate the concerns regarding challenges by third parties to a trade mark used in the Cayman Islands.

Design Rights Registration Law, 2016

The *Design Rights Registration Law, 2016*, once in force, will introduce a new law (the “Design Rights Law”) allowing owners of UK registered designs (“UKRDs”) and registered Community designs (“RCDs”) the opportunity to extend their registered design rights to the Cayman Islands.

Applications will need to be made to the Registrar of Design Rights via a registered agent in the Cayman Islands. It is contemplated that most applications will be accepted on the basis that they have already been registered in the UK or European Union (“EU”) with examination being limited to checking the particulars of the UKRD/RCD to determine whether the design right consists of or contains (a) national flags, insignia or 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.

Once registered, the Cayman Islands design right will have the same duration, and will afford the owner with all the equivalent rights and remedies available to them in respect of the design right in the UK or EU.

AUTHOR:

GENE A. DACOSTA
PARTNER

gene.dacosta@conyersdill.com
+1 345 814 7765

GLOBAL CONTACTS:

KERRI L. LEFEBVRE
HEAD OF DUBAI OFFICE
kerri.lefebvre@conyersdill.com
+9714 428 2900

CHRISTOPHER W.H. BICKLEY
HEAD OF HONG KONG OFFICE
christopher.bickley@conyersdill.com
+852 2842 9556

LINDA MARTIN
HEAD OF LONDON OFFICE
linda.martin@conyersdill.com
+44(0)20 7562 0353

ALAN DICKSON
HEAD OF SINGAPORE OFFICE
alan.dickson@conyersdill.com
+65 6603 0712

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