

UPDATE

# A new era of intellectual property protection in the Cayman Islands

Update prepared by Hector Robinson QC (Partner, Cayman Islands) and Jaclyn Mannheim (Paralegal, Cayman Islands)

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The Cayman Islands is modernising its intellectual property regime. The new Trade Marks Law 2016, the Design Rights Registration Law 2016 and the Patents and Trade Marks (Amendment) Law 2016 will all come into force on 1 August 2017. The Copyright (Cayman Islands) Order 2015 and the Copyright (Cayman Islands) (Amendment) Order 2016 also came into effect on 30 June 2016, bringing the Island's copyright law in line with modern requirements. This update considers the intellectual property regime in the Cayman Islands as of 1 August 2017.

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## Trade Marks

Previously, trade mark law in the Cayman Islands operated as an extension of the UK trade mark regime and the rights associated with a UK or EUIPO registration were simply extended to trade marks on the Island. The Trade Marks Law 2016 (the **New Law**) creates a stand-alone trade mark regime where only national applications made by local registered agents will be accepted. The Cayman Islands Intellectual Property Office (**CIPO**) will maintain a local register of trademarks and it will no longer be a requirement for the trade mark to be registered in the UK in order to obtain protection in the Cayman Islands.

### Trade mark applications under the New Law:

Trade mark applications must be based on the Nice system, which is an internationally recognised system for classifying goods and services for the purposes of trade mark registration. The applications will be examined by the Registrar for Patents and Trade Marks, who will determine whether the trade mark in question satisfies the requirements of the New Law. Where the Registrar decides the requirements for registration are not met, the Registrar will offer the applicant the opportunity to amend the application, and eventually determine whether or not to accept the application. The Registrar may refuse to register the trade mark on both absolute and relative grounds.

There is no use requirement and trade mark rights cannot be revoked or challenged on the basis of non-use. There is no right of priority for marks registered in other jurisdictions and there is no protection for well-known or famous marks.

Once the examination process is complete, the application will be published in the Intellectual Property Gazette and interested parties will have 60 days from the date of publication to oppose the application. To prevent or resolve any opposition, the applicant may disclaim rights to the exclusive use of any particular word or element of the trade mark, leaving it open to others to use the disclaimed word or element.

The registration certificate will be issued immediately after the 60 day publication period provided there is no successful opposition to the application. The projected turnaround time for the application and registration process is 3-6 months from the date of receipt of the application. The proprietor's rights in respect of the trade mark will start with the date of filing the application.

Trade Mark registrations will be valid for 10 years from the date of filing the application. Annual fees will continue to be payable under the New Law. Annual fees are due on 1 January and must be paid on or before 31 March of each year. If annual fees are not paid, the trade mark will be held in abeyance and will be unprotected from infringement until the outstanding fees and prescribed penalty for late payment have been paid.

#### **Transitional provisions:**

Existing trademarks registered prior to 1 August 2017 will continue to be protected as if they were registered under the New Law and the next renewal dates for these trademarks will remain unchanged. As it will not be possible to register series marks under the new law, series marks registered prior to 1 August 2017 will retain protection until the next renewal date, after which the marks will have to be individually registered.

#### **Design Rights**

Pursuant to the Design Rights Registration Law 2016, the owners of UK registered designs and registered EU Community designs may extend their rights to the Cayman Islands. Applications for registration of design rights must be made via a local registered agent. The application must contain all the particulars of the UK or EU registered design and the registration fee. The registration and validity period in Cayman will mirror the UK/EU registration and the owner will hold all the equivalent rights available in those jurisdictions.

Annual fees for design rights will be due on 1 January and must be paid on or before 31 March of each year. If annual fees are not paid, the design rights will be held in abeyance and the design will be unprotected from infringement until the outstanding fees and prescribed penalty for late payment have been paid. Annual fees that remain unpaid for an extended period of time will leave the design right liable to cancellation by the Registrar.

#### **Patents**

Under the pre-existing Patents and Trade Marks Law 2011 (**Principal Law**) an owner of a patent right in the UK or EU may apply to have these rights extended to and mirrored in the Cayman Islands. The Patents and Trade Marks (Amendment) Law 2016 (**Amendment Law**) removes all references to trade marks under the 2011 law, making way for the new trade mark regime, but maintains the existing legislative structure for patent protection.

#### **Anti-trolling provisions:**

The Amendment Law implements anti-trolling provisions to prevent abuse of the patent registration process by patent trolls, who hold and vexatiously enforce patents in order to profit through licensing and litigation.

The Amendment Law inserts a new section 15A into the Principal Law which provides that a person shall not make an assertion of patent infringement in bad faith. Further, the Court shall not recognise and enforce a foreign judgment or give effect to an estoppel based on a foreign judgment insofar as the claim is based on an assertion of patent infringement made in bad faith. Aggrieved parties may bring an action in the Grand Court of the Cayman Islands or issue a counter claim in any enforcement proceedings brought in bad faith.

#### **Copyrights**

The Copyright (Cayman Islands) Order 2015 and the Copyright (Cayman Islands) (Amendment) Order 2016 (**New Copyright Orders**) extend Part 1 of the UK Copyright, Designs and Patents Act 1988 (as amended) to the Cayman Islands, subject to certain exclusions and modifications in the application of Part 1.

The New Copyright Orders have brought copyright protection in the Cayman Islands in line with the digital age by broadening the types of works protected and expanding the range of restricted acts. The new orders have also provided greater enforcement remedies for copyright holders who can apply to the courts to seize infringing work and can institute a claim for damages or apply to the Customs Department to have infringing goods seized on their way into Cayman.

Copyright protection is automatic upon the creation of an original work. The duration of the protection depends upon the type of work and can range from 25 years to 70 years.

## Conclusion

The new suite of legislation discussed above represents a major milestone in intellectual property protection in the Cayman Islands, ensuring that both local and foreign entrepreneurs, businesses and creative individuals can effectively protect their intellectual property.

Mourant Ozannes is a registered intellectual property agent affiliated with CIPO and is able to advise on intellectual property related queries and transact on behalf of its clients in the application and registration of intellectual property rights.

## Contacts

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**Hector Robinson QC**  
Partner, Cayman Islands  
+1 345 814 9114  
hector.robinson@mourant.com

**Nicosia Lawson**  
Associate, Cayman Islands  
+1 345 814 9213  
nicosia.lawson@mourant.com

**Jaclyn Mannheim**  
Paralegal, Cayman Islands  
+1 345 814 9192  
jaclyn.mannheim@mourant.com

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