

BVI and Cayman Islands intellectual property landscape: a comparison

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The roots of Intellectual Property legislation in the British Virgin Islands and the Cayman Islands stem from the United Kingdom.

Although both islands are British Overseas Territories, different routes to protection may apply depending on the type of IP right (trade marks, patents and designs, for example), including direct registration, indirect registration (re-registration/extension of an earlier UK registration on application in the islands) or automatic protection upon successful registration in the UK.

All laws relating to intellectual property are administered by the Office of the Registrar of Trade Marks, Patents & Copyright within the Registry of Corporate Affairs, being a division of the Financial Services Commission in the British Virgin Islands, and by the Cayman Islands Intellectual Property Office (**CIIPO**), being a division of the Ministry of Financial Services and Commerce (**MFSC**), in the Cayman Islands.

| Trade marks

Current legislation:

- BVI: Trade Marks Act (Revised 2020)
- Cayman Islands: The Trade Marks Act, 2016

Until 31 August 2015, the British Virgin Islands offered a dual trade mark filing system under which trade mark protection could be secured for goods and services on application to extend a UK trade mark registration to the Islands and/or, for goods only, on the filing of a trade mark application directly in the British Virgin Islands. Until 31 July 2017, the Cayman Islands also offered trade mark protection by way of extension of an existing UK trade mark registration and also by the extension of an EU trade mark registration; however, direct national filings were not an option. For businesses (both local and foreign) whose interests were more centred in the

Americas and the Caribbean, this resulted in increased trade mark prosecution costs since they had to first secure protection in a foreign jurisdiction before they could apply in the islands. In many cases such businesses would have had no bona fide intention to use the relevant mark in the first filing jurisdictions, thereby falling short of one of the requirements for UK trade mark filings and calling into question the validity of the resulting registration of any extensions filed.

Both islands modernised their trade mark legislation in 2015 (BVI) and 2017 (Cayman Islands) and as of 1 September 2015 (BVI) and 1 August 2017 (Cayman Islands) it was no longer possible to extend existing foreign trade mark registrations to either island. All existing trade mark registrations were transferred over to the new registers. Since the implementation of the respective changes in law only the direct registration of trade marks is permitted.

Both islands offer direct registration systems with some key common characteristics, including:

- the Nice Classification system as a mode of classifying goods and services under a trade mark (the BVI Registry undertook a significant exercise of reclassifying the non-UK-based existing trade mark registrations from an extremely outdated British classification system to the latest version of the Nice Classification as part of the transition process)
- multi-class filings
- similar prosecution processes and formalities: filing, examination, acceptance, publication, registration
- similar criteria for assessing the registrability of a trade mark on both absolute and relative grounds
- disclaimer and limitation practices as a condition to registration in certain cases
- similar trade mark opposition periods (three months in the BVI and 60 days in the Cayman Islands)
- provisions for the registration of certification and collective trade marks
- an initial 10-year duration and renewal term (a 14-year renewal term was previously in place for direct registrations in the BVI, whereas UK-based registrations took the same 10-year term as the underlying UK registration)

Some notable differences between the trade mark legislation and practice of the islands are as follows:

- Neither the BVI nor the Cayman Islands is party to the Convention for the Protection of Industrial Property signed in Paris on 20 March 1883, as revised or amended from time to time (Paris Convention). But BVI legislation allows for the filing of priority-based applications

where there is an earlier application in a Paris Convention country and the BVI application is filed within six months of the filing date of the priority application. The BVI also allows for priority-based applications on the basis of an earlier application in a World Trade Organisation member country within the same six-month window.

- The BVI allows for cases of trade mark infringement to be brought on the basis of a trade mark entitled to protection under the Paris Convention as a well-known trade mark; the defensive registration of well-known trade marks is also allowed.
- Whilst both islands follow the Nice Classification when examining specifications of goods and services, office actions based on specification queries are more commonly issued in the Cayman Islands where terms from WIPO's Nice Classification database and the Harmonised List of the EUIPO TMclass database are not used (terms from these lists are automatically accepted). Class headings are also accepted in the Cayman Islands subject to certain general indications as outlined in Practice Note 02/2017.
- Trade marks which are not put to genuine use in the BVI within three years of the date of registration are subject to revocation where there is no valid reason for non-use. There is no procedure to revoke a trade mark registration in the Cayman Islands on grounds of non-use, although revocation actions may be brought on other grounds (for example where a particular trade mark no longer functions as a trade mark on its becoming common in the trade).
- Series marks registered under the repealed trade marks law in the Cayman Islands must be divided into individual trade mark registrations on or before the next renewal date. The current trade marks law does not allow for the filing of series marks. However, the BVI legislation does allow for the registration of series marks.
- Annual fees fall due every 1 January in the Cayman Islands for the life of a trade mark registration. Where annual fees are unpaid by 31 March of each year, the rights protected by the registration are in abeyance until annual fees and late penalty fees are paid up to date. This means that registered rights cannot be enforced against third parties until all annual fees and late fees are paid up to date as registered rights are not considered to be in good standing. The BVI does not have an annual fees regime for trade marks.

Designs

Current legislation:

- BVI: United Kingdom Designs (Protection) Act (Revised 2020)
- Cayman Islands: The Designs Rights Registration Act, 2016

Proprietors of UK-registered designs enjoy the same rights and privileges in the BVI as they do in the UK without any need to re-register. Designs registered in the UK automatically extend to the BVI for the life of the UK registration. This has been the case since the 1930s. Local publication of the design in the BVI is nevertheless advisable to put the public on notice of rights in and to the registered design.

Prior to 1 August 2017 there was no protection for designs in the Cayman Islands. On 1 August 2017, the Cayman Islands introduced an indirect registration process. The Design Rights Registration Act, 2016 enables proprietors of UK and EU Registered Design Rights to extend their Registered Design Rights to the Cayman Islands and renew such rights for so long as they are renewed and valid in the UK or EU respectively. There is no substantive examination, and no opposition or invalidation procedure. However, there is a requirement to pay annual fees every 1 January for the life of the registration and, where unpaid for more than 12 months, registrations are liable to cancellation by the Registrar.

Most recently, the Designs Rights Act, 2019 was passed in the Cayman Islands to allow for the direct registration of designs. Designs are defined therein as "the design of the shape or configuration (whether internal or external) of the whole or part of an article". This legislation is not yet in practical effect.

Patents

- BVI: Registration of United Kingdom Patents Act (Revised 2020)
- Cayman Islands: The Patents Law (2018 Revision)

Both the BVI and the Cayman Islands allow for the indirect registration of patents. Once a UK or EP(UK) patent is granted, an application can be made in either Island to extend the scope of protection. In the Cayman Islands, there is no deadline for the filing of the application to extend rights, whereas in the BVI, rights must be extended within three years from the date of issue of the UK patent. The length of protection in the islands once rights are extended or re-registered is dependent on that of the underlying UK or EP(UK) patent. If the underlying patent expires or becomes invalidated, so does the corresponding patent in the islands.

In the Cayman Islands, an annual fee must be paid for the life of the patent in order to keep registered rights in good standing. A default in the payment of the annual fee causes registered rights to be held in abeyance until all annual fees and, including any penalties for late payment, are paid up to date. Furthermore, default in the payment of the annual fees and penalties for more than 12 months may result in registered rights being cancelled by the Registrar. In the BVI, each time an annuity/renewal fee is paid in the UK in respect of a patent that has been extended to the BVI, certified proof of same should be provided to the BVI Registry along with payment of the corresponding local renewal fee.

The Cayman Islands legislation also includes some anti-patent trolling provisions to prevent abuse by patent trolls (otherwise called Patent Assertion Entities). A patent troll is a person or entity which holds and enforces patents in an aggressive and opportunistic manner, often with no intention of marketing or promoting the subject of the patent. In other jurisdictions, particularly in the US, the activities of patent trolls have imposed considerable economic burdens on the creative pursuits of others involved in development and commercial exploitation of IP. The experience in those jurisdictions is that software patents are particularly prone to such abuse. The anti-patent trolling provisions of the Cayman Islands' patent legislation are designed to limit persons from making assertions of patent infringement in bad faith. In addition to the general prohibition on such bad-faith assertions, the legislation includes a statutory remedy for those aggrieved by the actions of patent trolls. Furthermore, the Cayman courts will not recognise or enforce a foreign judgment to the extent the claim is based on an assertion of patent infringement made in bad faith.

Notably, the BVI also has a Patents Act (Revised 2020) that allows for the direct registration of patents. However, applications for such patents are not currently accepted by the Registry in practice and this is unlikely to change in the near future.

Copyright

Current legislation:

- BVI: Copyright Act (Revised 2020)
- Cayman Islands: Copyright (Cayman Islands) Orders 2015 & 2016 (as amended)

An amended version of the UK's Copyright Act of 1956 was extended to the BVI under The Copyright (Virgin Islands) Order 1962 and continues to be in effect today. Until 30 June 2016, copyright protection in the Cayman Islands was also by way of extension of the UK's 1956 Act via the Copyright (Cayman Islands) Order 1965 (the 1965 Order). However on 30 June 2016, Part 1 of the UK's Copyright, Designs and Patents Act 1988, subject to certain exclusions and modifications, was extended to the Cayman Islands. This was a significant development for the Cayman Islands, and the first step in the Cayman Islands' Government's plans to reform and modernise intellectual property laws generally.

In keeping with the approach taken by the UK and many other countries around the world, no copyright registration procedure is in place in either island. Instead, protection arises automatically once the work is recorded, in writing or otherwise.

Conclusion

Reforms made to the IP legislation of the BVI and Cayman Islands over the past 10 years have

benefited local and international businesses, entrepreneurs and artists doing business in these leading offshore jurisdictions, enabling them to protect, exploit and enforce their IP more effectively and with confidence. Work continues on the further modernisation of the legislation, and this is essential with the constant evolution of technology and the expansion in types of business done in the Islands.

This client briefing is intended to provide a general summary of the position in law as at the date shown above and is not to be taken as specific legal advice applicable to particular issues or circumstances. If such advice is required, please get in touch with your usual Ogier contact.

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