

# The Cayman Islands Chancery Bar Conference 2024

## Intellectual Property in the Cayman Islands and beyond

by Martin Howe KC, 7 November 2024

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### **1. Copyright**

This is a commercially important right and copyright cases often involve an international or multi-jurisdiction element.

The Cayman Islands adhered to the Berne Convention on 4 June 1966 as a UK dependent territory

The governing law of copyright since 2016 is now **Part I of the Copyright Designs and Patents Act 1988 (UK) ("CDPA")**, extended to Cayman in modified form by the **Copyright (Cayman Islands) Order 2015 (SI 2015 No 795)** and amended by the **Copyright (Cayman Islands) (Amendment) Order 2016 (SI 2016 No 370)**.

The other Parts of the CDPA, including Part II on protection of performers and Part III on design right, have not been extended to Cayman, although

Part III is mirrored (with modification) in Cayman's own design legislation - see below.

Attempting to follow Cayman copyright law by starting from the text of the CDPA and applying the modifications made by the above two Orders in Council is very difficult. Fortunately the CIPO has made available an unofficial consolidated text of the CDPA as it applies in Cayman:

*<https://www.ciipo.ky/wp-content/uploads/laws/Copyright-Cayman-Order-Consolidation-2015-and-2016.pdf>*

Most of the modifications of the CDPA in Cayman are formal or procedural in nature - e.g. replacing the Copyright Tribunal in the UK with a specific tribunal in Cayman and similar changes, and removing references to the EU or EEA.

Aspects of the CDPA in the UK have been heavily amended since it was passed in 1988, mainly in response to EU/EC harmonising directives, most notably by the Copyright in the Information Society Directive 2001/29/EC. The amendments made up to 2016 (which is almost all of them) have been extended to Cayman by the Orders in Council.

Most important post 1988 amendments incorporated in Cayman law are:

- Copyright in the information society amendments mandated by the EC in 2001, including transient and incidental copies defence in s.28A, and the 'making available' right in s.20 (covers VOD and posting on websites)
- Explicit protection of computer programs as literary works
- Modernisation of concept of broadcasting to cover both wireless and

wired dissemination

### *Interpretation and case law*

CDPA as extended to Cayman is a UK statute, so seems obvious that UK case law will be authoritative as regards its interpretation in Cayman

Where aspects of the CDPA extended to Cayman were amended before 2015 to comply with EC/EU directives, it seems obvious that the relevant directives and EU case law should be at least persuasive under the pre-EU law principle of *The Jade* [1976] 1 WLR 430, by which legislation passed to give effect to international obligations should be interpreted in the light of those obligations.

Where UK judges have altered the interpretation of unamended parts of the CDPA in consequence of ECJ case law, it is less obvious that Cayman judges should follow them. The *Marleasing* doctrine<sup>1</sup> requires courts of member states to interpret pre-existing national legislation if possible to comply with EU directives but this doctrine cannot as such apply to Cayman

The notable areas where this retrospective reinterpretation has occurred is the concept of originality, where the EU law doctrine of “intellectual creation” has been brought in to supersede the previous UK law interpretation, and also possible fudging or modification of the categories of protected works in the CDPA in the field of applied art.<sup>2</sup>

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1. Case C-106/89 *Marleasing SA v La Comercial* [1990] ECR I-4135

2. *Response Clothing Limited v The Edinburgh Woollen Mill Limited* [2020] EWHC 148 (IPEC), HHJ Hacon.

## **2. Protection of confidential information**

Cayman follows English law on the protection of confidential information, which is judge-made law but stemming from equity rather than common law

However, confidential information law in Cayman has been modified by the **Confidential Information Disclosure Law, 2016** (Law 23 of 2016) which provides an explicit statutory defence where confidential information is disclosed for a number of purposes including under a court order or to regulatory authorities. There is also a “whistleblowing” defence in section 3(2) which extends inter alia to health and safety “a serious threat to the environment”.

Cayman’s previous Confidential Relationships (Preservation) Law (2015 Revision), which inter alia made breach of confidence a criminal offence, was repealed at the same time,

The absence in Cayman of equivalent of the UK’s Trade Secrets (Enforcement, etc.) Regulations 2018 is not likely to have any discernible effect

Breach of confidence cases are often contractually based, but the equitable doctrine means that non-parties to a contract are bound by obligations of confidence if they have actual or constructive notice that the information is confidential.

Breach of confidence cases frequently have cross border/multi-jurisdictional aspects.

### **3. Patents**

**Patents Law (2018 Revision)** consolidates changes to the original Patents and Trade Marks Law of 2011, mainly removing references to trade marks and ending the extension of UK trade marks to Cayman (see below)

Patents having effect in the UK can be extended to Cayman by registration with the CIPO. This means that both UK national patents granted by the UKIPO and European Patents granted by the EPO which designate the UK can be extended to Cayman

Note that the EPO is *not* an EU institution and the UK's relationship with it is not affected by Brexit. The EPO is established under the European Patents Convention to which non-EU states belong including now the UK.

Section 2 defines "patent" as "*a current and effective grant in the United Kingdom of a monopoly in respect of an invention*",

Section 9 of the Patents Law states that registration will "*afford in the Islands to the owner of the right so recorded all the equivalent rights and remedies available to the owner in respect of such patent in the United Kingdom*"

It follows from these provisions that:-

- (1) Either a UK national patent granted by the UKIPO, or a European Patent (UK) granted by the EPO and which designates the UK as one of the states in which it is in force, may be extended to Cayman;
- (2) The effect of that extension is to import into Cayman all the rights and remedies under the Patents Act 1977 (UK); and accordingly UK case law will govern interpretation of those rights and remedies, including claim construction and infringement.

However it is not clear whether the Grand Court in Cayman would be able to deal with a challenge to validity. Possibly, validity would need to be challenged in UK courts and an action for infringement in Cayman would be stayed to await the outcome

It does not seem that the effect of these provisions is to extend to Cayman the unjustified threats provisions in s. 70A of the UK Act, but s.15A of the Law provides remedies for “bad faith” assertion of a patent extended to Cayman.

#### **4. Trade Marks**

Having ditched the previous system of extending UK trade marks to the Islands, Cayman now has its own trade marks registry under the **Trade Marks Law 2016 (Law 31 of 2016)**

The Law is closely modelled on the Trade Marks Act 1994 (UK) which was largely based on the EC's Trade Marks Directive, so likely that both UK and EU case law will apply

Section 32(1) has not followed the UK and allows for global exhaustion of trade mark rights (the UK bizarrely still restricts exhaustion on goods imported from non-EEA countries)

Like the UK Act, the Law preserves the common law right to sue for passing off

## **5. Design rights**

### **Designs Rights Law, 2019 (Law 3 of 2019)**

Most of this Law closely replicates Part III of the CDPA on unregistered design right; however, ss. 6-13 of the Law provide for registration of designs

The inter-relationship of the two parts of this Law raises some puzzling questions, both at the level of drafting and at the policy level, since registered design laws in the UK and internationally are very different from Cayman's Design Rights Law

## **6. International context**

As noted above, Cayman adheres to the Berne Copyright Convention. However it is not party to the Paris Convention which means that Cayman registered rights do not participate in the international priority system

For patents this does not matter since the base patents in the UK are within the Paris Convention system

For trade marks and designs it means that Cayman registrations cannot be used as a basis for international priority claims

Cayman is not party to the Rome Convention or to the more recent WIPO Copyright Treaty or the WPPT (WIPO Performances and Phonograms Treaty)

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