Caribbean

Caribbean intellectual property in a nutshell

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International filings
Many years ago, an international filing meant filing IP rights before the local industrial property registry of each country. The current situation has come a long way from that concept; rights holders can file and claim priority to the Paris Convention for the Protection of Intellectual Property, the Madrid Protocol and the Patent Cooperation Treaty (PCT) in various countries, including the Caribbean and Central American region.

Twenty-five countries in the region have now signed the Paris Convention. Antigua and Cuba are not party to the Madrid System and its protocol. There exists much pressure on Central America to become operational under the Madrid Protocol.

Sixteen jurisdictions are now signatories to the PCT, although some parties have not yet ratified the treaty (eg, Aruba).

Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands are still UK-dependent territories, and need to update their local legislation to allow for the registration of local trademarks and patents.

Antigua lacks patent examiners, therefore local patent applications are not admissible at present. PCT national phase applications are accepted; however, due to the lack of trained professionals, the examination process is arduous.

Following the dissolution of the Dutch Antilles on January 1 2010, three separate jurisdictions exist: Curacao, the Caribbean Netherlands and St Maarten. The three smaller islands (Bonaire, St Eustatius and Saba) are part of the Caribbean Netherlands, while Curacao and St Maarten (the Dutch part) are independent countries under the Netherlands.

In the Bahamas and Barbados, the registries are not computerised, therefore conducting searches and processing applications can be an laborious process. In the Bahamas, searches can take between 8 and 12 weeks – or longer in some cases, depending on the backlog at the registry. The granting of a certificate of registration can take more than four years, and it seems that nothing can be done to expedite the process. This is an important consideration when carrying out filing projects in this country.

Through Practice Direction 1/2009, Belize established that class headings are not accepted.

The British Virgin Islands is a UK-dependent territory and, as such, is subject to the Paris Convention. The British Virgin Islands has one of the world's most widely used corporate statutes, with over 400,000 active companies trading globally. These companies do business in Asia, Latin America, Europe and North America, with BVI companies being the largest source of foreign investment in China and one of the top 10 sources in Vietnam. Therefore, it is prudent for rights holders to monitor company registrations that may potentially infringe their IP rights. The British Virgin Islands is not party to any free trade agreements and is not likely to become party in the near future.

Cuba and the Dominican Republic are two of the most up-to-date countries when it comes to IP legislation; the most recent legislation was enacted in 2000 in both countries.

In Dominica, the Marks, Collective Marks and Trade Names Act (12/1999) was enacted in 2009.

In Jamaica, patent legislation is extremely outdated (it dates back to 1897) and, given that the registry is not fully automated, the granting of letters patents can be lengthy. A Patents Bill is in the pipeline, but has yet to be enacted.

New trademark legislation has been enacted in Montserrat; however, the registry still applies the former legislation as the necessary regulations have not yet been finalised. The new legislation contains intent-to-use provisions.

The legislation of the Turks and Caicos Islands is under review but no significant amendments are scheduled in the near future. The registry is modest in terms of size and resources and, as such, the processing of applications can be time consuming.

Service marks are not registrable in Suriname or the Bahamas, and the British Virgin Islands and the Bahamas have their own local classification systems.

A new draft of the Trademark Bill is under consideration in Trinidad. Trinidad still follows the Seventh Edition of the Nice Classification and is stringent in its examination, which often leads to specification queries.

In August 2012 the Grenada registrar of companies confirmed that the new Trademark Act (1/2012, as amended) came into force on the passing of the Trademark Regulations (18/2012). This new legislation repeals the registration of the UK Trademarks Act and the Merchandise Marks Act, under which Grenada previously operated. This essentially means that UK registrations are no longer required for filing a trademark in Grenada – welcome news for all rights holders.

Counterfeiting

The counterfeiting of goods is an increasing problem in the region, with the most vulnerable goods being leather commodities (eg, bags and belts), DVDs, CDs and electronic media utilised to distribute music or films, cigarettes, liquor, clothing and luxury goods.

In countries where counterfeiting is prevalent, what actions are governments taking to counteract the problem? In Antigua, the government has opted not to grant vendor licences to merchants that are known to sell counterfeit goods. In Aruba, the heightened concentration of merchants selling counterfeit goods led the Office of the Public Prosecutor to conduct a raid in July 2012, confiscating many of the goods for which complaints had been filed. However, goods for which complaints had not been filed were not confiscated. The Bahamas has been successful in combating counterfeit products through the courts, as counterfeit goods are not sold on the streets as widely as in other countries within the region.

According to various studies, the British Virgin Islands appears to be a leading corporate domicile of choice and, as such, many international companies choose not only to register, but also to establish their businesses there. Although there are no official statistics to prove the counterfeiting problem in this jurisdiction, it is safe to assume that it is a widespread practice. Many counterfeit goods are imported and there may be insufficient checks at ports to prevent this.

In Guatemala, the creation of a special prosecutor's office to prosecute exclusively IP crimes is an important advance.

Cuba is one of the few countries in the region where counterfeiting is not a prevalent issue due to strict controls, thus the application of certain measures is not required.

With the enactment of new IP legislation in Dominica, the need for ongoing IP training for customs and policing personnel has become imperative, and the country is now focusing on this issue.

Customs in the Dominican Republic requires copies of documents evidencing that importers are the authorised distributors of goods, otherwise the goods are confiscated at the port and, after an internal procedure, handed over to the legitimate owners or distributors.

In Jamaica, a specific police and customs department that handles counterfeiting matters.

Due to Panama's Colon Free Zone, copyright infringement is a topic of interest for companies operating there, and especially for the government. Prosecutors are tenacious on this issue as the legislation provides for the confiscation of goods at the port of entry.

St Lucia is a small country and counterfeiting is not a widespread practice. Customs is proactive in the seizure of counterfeit goods and holds extensive powers under the Trademark Act. Customs has a sophisticated computer network connected to the US, UK and EU systems which has proven to be a useful tool.

Counterfeiting of goods is a problem currently being tackled by the Surinamese government; the Department of Justice is working closely with the World Intellectual Property Organisation and other bodiess to fight this problem. Customs officials receive regular training in the IP field.

The Trinidad Trademarks Act allows for the registration of trademarks with Customs and Excise, which scan seize goods bearing particular marks for 10 working days (extendable by Customs and Excuse) in order to allow the rights holder to file infringement proceedings.

Counterfeiting is also an increasing concern in the Turks and Caicos Islands. The registry is the first entity to be informed of an infringement matter, and subsequently the matter is coordinated with Customs, the police and the immigration authorities.

Remedies

Trade agreements expand trade opportunities, strengthen and open up markets between participating countries, act as an important tool in the promotion of fair competition, promote the enactment of adequate legislation and regulations and, backed by a transparent rulemaking procedure, attract foreign investment.

One trade forum is the Caribbean Community (CARICOM), an organisation of 15 Caribbean nations and dependencies. CARICOM has signed free trade agreements with:

- Cuba (July 5 2000);
- the Dominican Republic (December 2001);
- Costa Rica (March 9 2004); and
- the European Union (in the form of economic partnership agreements).

CARICOM countries are increasingly focusing on updating IP legislation and frequently hold workshops in this field. For example, in June 2009 Jamaica hosted a public forum where representatives from the Jamaican Intellectual Property Office and several of its counterparts from across the region discussed the best method of protecting traditional knowledge that is passed down through generations and is specific to Jamaica and other Caribbean countries.

The United States has demonstrated a clear interest in negotiating a trade agreement with CARICOM, but there have been no reported advances. The European Union and the Forum of the Caribbean Group of African, Caribbean and Pacific States have agreed to:

- integrate IP rights regulations in the region;
- progress towards regional management and enforcement of national IP rights; and
- create and manage regional IP rights, as appropriate.

One clear example of investment negotiation is the case of Jamaica and China, which, according to the Jamaica Trade and Invest President Authority, was pursuing stronger business partnerships and joint venture investment linkages in the areas of textiles and tourism in 2009.

Guyana is one of the strongest CARICOM member countries and was the subject of a recent review by the World Trade Organisation which indicated that Guyana had improved its economic performance since its last review in 2003, and rated it as favourable for foreign investment. The Guyanese authorities are committed to upholding international commitments pertaining to IP rights, particularly in light of the fact that their legislation dates back to the colonial period. To date, Guyana has adopted new legislation on geographical indications, and there may be further IP legislative developments in the near future.

Another example of a trade bloc is the Central America-Dominican Republic Free Trade Agreement to which Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic are members. The agreement provides new market access for US consumers in the areas of industrial and agricultural products. It also covers customs facilitation, provides benefits to small and medium-sized exporters and provides for the improvement of IP rights legislation and regulations as a priority.

The countries which are party to the agreement have taken measures to honour their commitments under the agreement (ie, reforms in the domestic legal environment), thus advancing in regional integration. The agreement reinforces national efforts to strengthen IP laws and enforcement and supports the growth of trade in valuable digital and other IP-based products, which is consistent with US standards of protection and enforcement and with emerging international standards. Such improvements include:

- state-of-the-art protection for digital products, such as US software, music, text and videos;
- stronger protection for US patents and trademarks, including an electronic system for the registration and maintenance of trademarks; and
- further deterrence of piracy and counterfeiting.

The agreement also requires protection of undisclosed test data submitted for the purpose of product marketing approval of pharmaceutical and agricultural chemical products against disclosure and unfair commercial use.

Enforcement remains a concern in the agreement countries. As the economies of the member countries strengthen, governments will have additional resources to face the challenges arising from the lack of personnel and expertise necessary to fund an effective campaign against copyright and other IP violations.

Trademark owners must be vigilant to ensure that they are in good standing, especially in those jurisdictions party to trade agreements such as the United States, Europe, China and Latin America. It is important to ensure that corporate owners do not register their companies under well-known trademark names as this can induce consumers to assume that there is some sort of affiliation between the manufacturing company and the corporate registered body (corporate squatting). It is highly recommended that trademark owners maintain a watchful eye on the registrar of companies and should particularly ensure that when applying for the registration of a mark, searches be carried out regionally in the local language and in other variations of the mark for identical products or services and in similar classes on a country-by-country basis; this will serve to ensure the non-existence of similar or identical trademark applications and registrations.

The negative publicity that counterfeit goods can have on a particular brand must be considered. A recommended strategy for manufacturing companies is to carry out occasional audits of local stores in order to determine whether their goods are being sold in that particular jurisdiction.

In tax havens such as the British Virgin Islands and the Cayman Islands, it is highly recommended that IP rights be transferred to holding companies in order to ensure proper management and to prevent problems in case of a future insolvency. The holding company usually licenses the trademarks back to its subsidiary companies.

Trademark owners should prioritise the filing of IP rights in countries where their goods and services will be introduced onto the market. It is essential to determine the most important potential markets or that filing be carried out in those countries where:

- there are active distributors;
- the goods or services are widely sold; or
- the product is a victim of counterfeiting or piracy.

Filing should be prioritised in countries where Paris Convention, Madrid Protocol or PCT filing is not in force, as this will serve to ensure adequate protection in a timely manner.

With the enactment of trade agreements in the region, it is natural that the flow of commerce will increase, therefore it is vital that:

- countries enact adequate and up-to-date IP legislation;
- customs officials and police receive training in the IP arena, so as to ensure that they can identify counterfeit and pirated merchandise; and
- countries implement an IP registry system with Customs, as this will serve to ensure that counterfeit products are stopped at the border and the rights holder is notified by Customs.

Preliminary injunctions are also an important tool when dealing with infringement cases.

Companies that adequately manage their IP portfolios will benefit by saving on filing costs and organising the management of their portfolios, and will ultimately strengthen their position in comparison to companies that offer or sell similar goods or services. IP rights are a key intangible property and they should be aggressively protected. *iam*

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Gabriela Bodden is a recognised expert in international trademark law. She focuses primarily on trademark, copyright and patent matters, as well as advertising and legal disputes. Ms Bodden also counsels clients on the selection and registration process of IP rights and their enforcement, adding a significant competitive advantage to clients' portfolios. She has extensive experience in handling complex international IP portfolios throughout the Latin American and Caribbean region, covering matters such as clearance searches, trademark filings, the prosecution and maintenance of trademarks, licence and franchising contracts, cautionary notices and piracy issues. She initiates and completes opposition actions, lawsuits and office actions before the registries and courts of various countries. Ms Bodden has written and co-written chapters on trademark practice and procedure for various IP publications.