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The Trade Mark Act 2013, a Practical Overview

*On 1 September 2015, the long anticipated Trade Marks Act 2013 (the **New Act**) will come into force. The New Act replaces The Trade Marks Act (Cap 158) of the Laws of the Virgin Islands (**Existing Act**) and the Registration of United Kingdom Trade Marks Act (Cap 157) of the Laws of the Virgin Islands (**Existing UKTM Act, BVI**) and is designed to revamp and modernise the trade mark laws of the British Virgin Islands (**BVI**).*

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The New Act, which borrows from the UK Trade Marks Act 1994, has made substantive changes to the existing legislation. The purpose of this update is to provide an overview of the New Act.

Q1 Is the New Act in force?

A1 It will come into force on 1 September 2015.

Q2 What legislation will be repealed by the New Act?

A2 Both the Existing Act and the Existing UKTM Act, BVI will be repealed. In addition, the Merchandise Marks Act will be repealed by the New Act. The Trade Marks Rules 2015, which also come into force on 1 September 2015 will revoke the Registration of UK Trade Marks Rules 1947 and the Trade Marks Rules 1937.

Q3 How is the expression “Trade Mark” defined in the New Act?

A3 The New Act defines a trade mark as any sign that is capable of (a) being represented graphically, and (b) distinguishing the goods or services of one person from those of another person, and includes a certification trade mark and collective trade mark, unless otherwise specifically

excepted. The term “sign” includes (a) a brand, colour, device, figurative element, heading, label, letter, name, numeral, shape, signature, smell, sound, taste, ticket or word and “numeral” and “word” in this regard shall be construed to include a foreign numeral and foreign script or word; and (b) any combination of signs.

This is actually one of the most interesting features of the New Act and brings it much closer to current UK legislation. Under the Existing Act, when construed strictly, only goods were registrable (unless, according to current accepted practice in the BVI, the mark was first registered in the UK in which case it could be re-registered in the BVI under the Existing UKTM Act, BVI). The ability to register a smell, sound or taste, amongst other things, is revolutionary.

In addition, the concepts of “collective” and “certification” trade marks are also derived from UK legislation and are new to BVI law. Under the New Act, a collective trade mark is a sign that is capable of (a) being represented graphically; and (b) distinguishing the goods or services of members of the collective association that is the owner of the sign from those persons who are not members of the collective association. We believe that it is possible that there is a typographical error in the New Act in that the definition should instead probably read as follows: “a sign that is capable of (a) being represented graphically; and (b) distinguishing the goods or services of members of the collective association that is the owner of the sign from the goods or services of those persons who are not members of the collective association.”. We think that this is the case because the function of a collective trade mark is to highlight a trade connection between the goods or services of members of the association and to distinguish them from those of other undertakings.

It is anticipated that collective marks will be more popular than certification marks. The latter permits persons to register trade marks to be applied to goods and services certified by them provided that they do not carry on a business involving the supply of goods or services of the kind certified. However with regard to collective marks, the New Act adds an interesting twist by defining the expression “collective association” as a body of persons, whether incorporated or not, that has or is able to have members and (a) is constituted for the joint benefit of its members; and (b) is so constituted that its membership can always be ascertained. Normally the presumption might be that the association (in this context) would be a legal body so that it can actually own the relevant mark. That presumption has, it seems, been displaced by the definition in the New Act. There is no definition of “association”, collective or otherwise, in the UK Trade Marks Act 1994.

Q4 Are there any other interesting features in the New Act?

A4 Ancillary use. Pursuant to the New Act (a) a sign may constitute a trade mark although it is used in relation to a service that is ancillary to the trade or an undertaking and whether or not the service is provided for money or money’s worth; and (b) any use of a sign with respect to goods or services shall be construed to include a reference to the audible use of the sign in relation to those goods or services.

Well-known trade marks. Protection is provided to the owner of a trade mark which is entitled to protection under the Paris Convention or TRIPS as a well-known trade mark. It is a trade mark that is defined in the New Act as a mark that (a) is well known in the Virgin Islands; and (b) is the trade mark of a person who: (i) is a national of or is domiciled or ordinarily resident in a Paris Convention country or WTO member; (ii) is a believer or resident in the Virgin Islands; or (iii) has a real and effective commercial or industrial establishment in a Paris Convention country, a WTO member or the Virgin Islands, whether or not that person carries on business in the Virgin Islands or owns any goodwill in a business in the Virgin Islands. Owing to the fact that there is no requirement that the owner has any goodwill or business in the BVI, accordingly the owner need not have customers in the BVI.

Q5 What sort of property is a registered trade mark?

A5 A registered trade mark is personal property that is acquired by registration of the trade mark under the New Act.

Q6 Who may apply for registration of a trade mark?

A6 Unlike the current law where an application may be made by or on behalf of any person claiming to be the owner of a trade mark (usually through a trade mark agent), only a “registered” trade mark agent may apply for the registration of a trade mark and a trade mark agent may be an individual, a partnership or a legal person. Subject to certain requirements, the Financial Services Commission may upon receipt of a written application in the prescribed manner and payment of the prescribed fee, approve or refuse to approve a person to act as a registered trade mark agent. The payment of the prescribed fee is valid for one year and is subject to an annual renewal.

Q7 What is the procedure in relation to applying to register a trade mark? When is registration effective and what is the duration of registration?

A7 An application to register a trade mark must be in the prescribed form which shall include the following: (a) a request for registration of the trade mark; (b) the name and address of the applicant; (c) a statement of the goods or services in relation to which it is sought to register the trade mark; (d) a representation of the trade mark; and (e) such other information, document or matter as may be prescribed.

The application must state whether (a) the trade mark is being used by the applicant or with his consent, in relation to the goods or services in respect of which it is sought to be registered; or (b) the applicant honestly intends to use the mark or to allow it to be used, in relation to the goods or services concerned.

The date of filing of an application for registration of a trade mark is the date on which documents containing all necessary statutory requirements are filed with the Registrar and where documents are filed on different dates, the date of filing is the last date.

Upon receipt of an application, the Registrar must determine whether the requirements for registration have been satisfied and if satisfied he shall, subject to any condition he thinks fit to impose, accept the application and cause the application to be published in the Gazette. If the Registrar considers that the requirements have not been met then he must notify the applicant specifying such period as he considers appropriate being not less than 14 days and not more than 60 days (although extensions are possible) from the date of the notice within which the applicant must meet the outstanding requirements as are deemed appropriate.

Where an application has been accepted by the Registrar and either certain disabilities in the New Act do not apply, or no notice of opposition is given within the prescribed period, or all opposition proceedings have been withdrawn or decided in favour of the applicant and the relevant fees have been paid, then the Registrar must register the trade mark by entering the prescribed particulars in the register unless the Registrar exercises his power to rescind the application. The Registrar must upon registration (a) issue to the applicant a certificate of registration; and (b) cause to be published in the Gazette a notice indicating registration of the mark.

Finally, a trade mark is registered as of the date of filing of the application for registration and that date is deemed for all purposes under the New Act to be the date of registration of the trade mark. Furthermore a trade mark is registered for a period of ten years from the date of registration and subject to the New Act may be registered for further periods of ten years.

Q8 What does registration provide?

A8 As mentioned above, a registered trade mark is personal property that is acquired by registration. In addition, the owner of a trade mark has, in relation to all or any of the goods or services in respect of which the trade mark is registered, the rights and remedies provided by the New Act and where the New Act is silent then by the common law. Specifically, the owner of a registered trade mark has the exclusive right to (a) use the registered mark; (b) authorise any other person to use the registered trade mark; (c) assign or transmit the registered trade mark; and (d) give a valid receipt for any consideration for any assignment or transmission.

Q9 On what grounds can the Registrar refuse registration of a trade mark?

A9 Under current law the Registrar has the power to refuse to register any trade mark if it is contrary to law or morality. This is the case under the Existing Act (but not the Existing UKTM Act, BVI) and when the Registrar exercises a discretion not to register a trade mark, he must give the applicant an opportunity to be heard. The New Act contains a host of general and specific circumstances in which the Registrar will not register a trade mark. The general grounds consider the nature of the mark itself, its distinctiveness, tests the mark against public policy matters and finally whether its use is prohibited in the BVI by virtue of any law. The more specific circumstances are essentially concerned with the rights of others.

Q10 What amounts to infringement?

A10 Subject to certain exceptions in the New Act, a person infringes a registered trade mark if he uses, in the course of trade (which, significantly, does not necessarily have to be in the goods or services that are the subject of the registration), an infringing sign or if the trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the sign, without due cause, takes unfair advantage of or is detrimental to the distinctive character or repute of the trade mark. Thus, for example, a person will be considered as having used an infringing sign if, among other things, he (a) applies the sign to goods or the packaging of goods; (b) offers or exposes goods for sale under the sign; (c) offers or supplies services under the sign; and (d) imports or exports goods under the sign.

Co-ownership or joint ownership is permitted and thankfully the New Act states (unlike the current position) that where two or more persons own a registered trade mark each of them is entitled, subject to agreement to the contrary, to an equal undivided share in the registered trade mark. The existing law does not refer to an “equal undivided share” which has in the past been inconvenient.

Q11 What does the law say about assignment and licensing of trade marks?

A11 Current law provides that a trade mark when registered shall be assigned and transmitted only in connection with the goodwill of the business concerned in the particular goods or classes of goods for which it has been registered, and shall be determinable with that goodwill. The thinking behind this provision was that the consuming public considered a trade mark as indicating that the goods bearing the mark, relate to a specific business and no other. Accordingly if the connection between the mark and the business was severed, it would be contrary to public policy to recognise the continuance of any exclusive right to the mark. For this reason, a trade mark and the goodwill of the business had, in the past, to be assigned together. The New Act, very similar to the current position in the UK, takes a much more permissive stance and provides that “a registered trade mark is transmissible ...either in connection with the goodwill of a business or independently. The owner’s rights to assign may therefore be exercised with or without goodwill.

A significant aspect of the New Act is that assignments and licences are “registrable transactions” and details of them may be entered in Register on application by the owner, any person claiming to have an interest in the mark or anyone affected by the registrable transaction. However registration is not compulsory and the validity of a transaction between the parties to it is not technically affected by non registration. That notwithstanding, there are actually two salient reasons to register: (a) registration protects a person acquiring an interest in a trade mark from another person acquiring a conflicting interest; and (b) it is necessary in order for a licensee or assignee to be able to sue and obtain full relief for infringement provided for under the New Act. Interestingly it seems that it is the application itself that provides protection and it therefore begs the question as to the position between application and registration from the perspective of someone searching the Register and the question of knowledge.

Non registration also has an impact on damages or an account of profits in that a failure to register will deprive the relevant party from its right to financial relief in respect of acts of infringement that occurred before the registration of the transaction. Furthermore, subject to two exceptions under the New Act, if the transaction has not been registered at all then there will be no relief. The exceptions are (a) a six month grace period; and (b) that the grace period may be extended if it is not practicable to apply for registration before the end of the period.

Q12 How are Trade Marks classified under the New Act?

A12 Goods or services will now be classified by the Financial Services Commission pursuant to an Order published in the Gazette or, in the absence of such a classification by the Commission, the classification of goods and services in accordance with the Nice Agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957 as subsequently amended or revised.

Under the current law rights obtained by registration were limited to the specific goods in respect of which the mark was registered. The New Act alters this significantly by providing protection in relation to goods or services similar to those for which the relevant mark is registered in addition to identical goods or services provided however that a likelihood of confusion on the part of the public can be shown.

It is important to note that it is intended that existing classifications of any registered trade mark will continue to apply until a renewal application is submitted.

Q13 What happens to existing trade marks registered under the Existing Act and the Existing UKTM Act, BVI?

A13 This is not at all straightforward but may be summarised as follows:

Save where specifically stated, the Existing Act and the Existing UKTM Act, BVI (the **repealed Act**) will continue to apply to the following matters:

- Where prior to the commencement date of the New Act a matter was pending before the Court or the Registrar for a decision by virtue of the repealed Act, that matter shall continue to be dealt with under the repealed Act unless otherwise provided in Schedule 4 to the New Act.
- Where any proceedings brought pursuant to section 33 of the repealed Act are pending on the commencement date they shall continue to be dealt with under the repealed Act.
- Any infringement committed before the commencement date of the New Act.

- Where on the commencement date of the New Act proceedings for any variation or cancellation of registration as a registered user is pending, the proceedings shall continue to be dealt with under the repealed Act, and any necessary alterations and entries arising as a result of the proceedings shall be made in the new register of the New Act.
- Section 10 of the repealed Act and any other provision of the repealed Act relating to opposition to registration continues to apply in relation to an application for the registration of a trade mark before the commencement date of the New Act.
- Section 58 of the New Act applies in relation to the registration of a trade mark in pursuance of an application made on or after the commencement date of the New Act, and the repealed Act continues to apply in any other case.
- Section 59 of the New Act and the period for renewal of registration referred to in section 58 of the New Act apply where the renewal falls due on or after the commencement date of the New Act, and the repealed Act continues to apply in any other case.
- Where an application or request under the repealed Act for rectification or correction of the register is pending on the commencement date of the New Act, the application or request shall be dealt with under the repealed Act, and any necessary alterations and entries arising as a result of the application or request shall be made in the new register of the New Act.
- Where an application under the repealed Act for the removal of a registered trade mark from the register or imposition of restrictions on non-use is pending on the commencement date of the New Act, the application shall continue to be dealt with under the repealed Act, and any necessary alterations and entries arising as a result of the application shall be made in the new register of the New Act.
- Where an application under the repealed Act for the alteration of a registered trade mark is pending on the commencement date of the New Act, the application shall continue to be dealt with under the repealed Act, and any necessary alterations and entries arising as a result of the application shall be made in the new register of the New Act.

Save where specifically stated, the New Act will apply to the following matters:

- From the commencement date of the New Act, existing registered trade marks (a) shall be deemed to be transferred to the new register and subject to Schedule 4 of the New Act shall be deemed to be similarly registered in the new register of the New Act; and (b) that were registered as a series under section 7 of the repealed Act shall be deemed to be similarly registered under the new register of the New Act.
- If on the commencement date of the New Act any entry is contained in the old register (kept under the repealed Act) of a disclaimer, condition or restriction which relates to an existing registered trade mark, the entry shall be deemed to be transferred to the new register of the New Act and shall have effect as if entered in the new register in accordance with the provisions of the New Act.
- Sections 112, 113 and 114 of the New Act apply to infringing goods, material or articles whether made before, on or after the commencement date of the New Act.

- An existing entry in relation to an assignment or transmission of a registered trade mark made pursuant to the repealed Act shall be deemed to be transferred, on the commencement date of the New Act, to the new register and shall have effect as if made under section 81 of the New Act.
- An application for registration of an assignment or a transmission which is pending on the commencement date of the New Act shall be treated as an application for registration under section 81 of the New Act.
- Where before the commencement date of the New Act a person has become entitled by assignment or transmission to an existing registered trade mark, but has not registered his title, any application for registration made on or after that date shall be made under section 81 of the New Act.
- Where before the commencement date of the New Act a licence was granted pursuant to the repealed Act any entry made in the old register of the repealed Act in relation to the licence shall be deemed to be transferred to the new register on the commencement date and shall have effect as if made under section 81.
- Sections 85 and 86 (2) of the New Act apply only in relation to a licence granted on or after the commencement date of the New Act.
- An application made pursuant to the repealed Act for registration as a registered user which is pending on the commencement date of the New Act shall be treated as an application for registration of a licence under section 81 of the New Act.
- Where an application for the registration of a trade mark under the repealed Act that was pending before the commencement date is subsequently registered, the registered trade mark shall be treated for the purposes of Schedule 4 of the New Act as an existing registered trade mark.

Q14. Will there be any changes to the fees?

A14. Details of the new fees are available via the following [link](#)

For more information please contact:

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