



Intellectual Property in Bermuda

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Bermuda is a large Intellectual Property (IP) centre as its developed, and business focus, and infrastructure have created an allure and need for an IP framework. Many well-known brands and companies are represented and conduct business in Bermuda. Traditionally, many multinational and blue chip companies have benefitted from utilising Bermuda strategically to capitalise on particular tax benefits. A typical structure would result in a Bermuda-based company collecting fees and other revenue associated with the intellectual property they hold and to the repatriation of funds in accordance with Bermuda's strategic legislative framework. Although recent economic substance requirements have created the need for a company to show economic substance in Bermuda, many companies subject to the economic substance requirements see the benefit of remaining in Bermuda and implementing substance within the jurisdiction to support the advantages offered by Bermuda's IP framework. The prevalence of a global economy has made IP protection essential in this technological age. The continued growth, use, and development of the internet, technology and their associated goods and services, has led to the erosion of traditional geographical borders. As a result, it can be difficult to determine the origin of such goods and services and easier for fraudsters to pass off their goods and/or services.

Bermuda offers comprehensive IP registration through sophisticated IP legislation; being a common law jurisdiction, the legislation continues to evolve and develop in accordance with industry changes. Intellectual Property protection in Bermuda is available for trademarks, patents, copyright, and designs. The available relief for infringement are injunctions (permanent or emergency), Anton Piller orders, discovery upon oath, damages, delivery up of infringing article and/or destruction, and enquiry as to damages or an account of profits.

Trademarks

Trademarks are registerable under the Trade Mark Act 1974 (as amended). Successful registration gives the proprietor exclusive rights to use, assign, or license the mark for the goods and /or services accepted on the application. It is possible for an unregistered trademark to be protected at common law if the proprietor can establish long and extensive use. Bermuda is a single class jurisdiction and use of a trademark is not required on application. However, if the trademark is not used for a continuous period of five (5) years, it may be vulnerable to cancellation.

Trademark law in Bermuda is largely based on the UK Trade Marks Act 1938, however Bermuda operates an independent trademark Register at the Government of Bermuda Intellectual Property Office. The International Nice Classification system is used for class of goods and service. Initial registration lasts for seven (7) years after which it can be renewed for further periods of fourteen (14) years. Bermuda is not a signatory to the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty (PCT), or the GATT TRIPS agreement.

Copyright

Copyright in Bermuda is protected by the Copyright and Designs Act 2004 (2004 Act), which is based on the copyright provisions under the UK Copyright, Designs and Patents Act 1988. The 2004 Act provides that copyrights subsist in original literary, dramatic, musical and artistic works, sound recordings, films, broadcasts, typographical arrangements and databases. Each potential copyright must satisfy the requirements under the 2004 Act. As in other common law jurisdictions, protection becomes effective at the time the work is created with the first owner being the author, unless another arrangement such as an assignment exists, and no registration is required (nor possible).

Designs can also be protected by the 2004 Act where a copyright subsists in a design document or model where it is not artwork. Where copyright exists in a design, the protection lasts for a maximum of fifteen (15) years. The author/owner of a design can register it under the Patents and Designs Act 1930 (1930 Act) if the design relates to specific goods. Unlike trademark registration above, the 1930 Act allows for a registered UK design to extend to Bermuda, without any further formality. Copyrights in a design are protected for a maximum of fifteen (15) years (made up of three (3), five (5) year terms).

Patents

The 1930 Act provides patent protection in Bermuda. The Bermuda Intellectual Property Office currently requires that a national patent application be sent to the UK for search and examination. The 1930 Act allows for a confirmatory patent process which is a less expensive means of securing protection in Bermuda. Any UK patent or European patent designating the UK can be reregistered in Bermuda within three (3) years of the original grant. Recently, the Government of Bermuda has published a draft new Patent Act (Draft Patent Act) modelled on the Guernsey statute. The new law (in its current form) would allow for local broader reregistration of patents which would include PCT countries.

The Draft Patent Act provides a more definitive set of requirements, in order for an invention to be registered as a patent. The Draft Patent Act is based on Guernsey legislation, which allows for patents to be registered in Bermuda based on patents that are registered overseas. A list of the patent jurisdictions this applies to will be included in the new patent act. The Draft Patent Act also allows for inventions that are new, inventive (or involve an inventive step) and capable of industrial application to be registered, provided the invention is not contrary to public policy or morality. There is no clear indication, from date this article was written, as to the time-line for when the Draft Patent Act will be finalised and Bermuda will receive its new patent act.

Importance of IP Protection

Protecting IP rights is just as important as protecting any other company asset or trade secret. Without offering adequate protection, innovation would taper off and research and development would carry more risk, as there would be no guarantee

that findings and or developments would be protected. Without such protection the benefit of such creations as the “good will” attached to a trademark, the industrial applicability of a patent, or success of a piece of literature may be taken advantage of by an individual or corporation in bad faith. The IP legislation in Bermuda is designed to allow a registered proprietor, or copyright owner to benefit from their creation and deal with them as they wish.

Intellectual property rights and their protection in Bermuda have continued to grow with the trends of other common law jurisdictions. Bermuda’s recent push toward drafting a new legislation involving patent registration and protection in Bermuda ensure Bermuda remains up to market standards and compatible with the registration systems of other jurisdictions. As the global economy continues to expand and businesses realise the importance and benefit of IP protection Bermuda will continue to strive to be at the forefront of IP rights and protection.

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