

CAYMAN ISLANDS



MERCHANDISE MARKS LAW

(1997 Revision)

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ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the *Merchandise Marks Law (1997 Revision)*.

Definitions, application and interpretation

2. (1) In this Law —

“**false trade description**” means a trade description which is false or misleading in a material respect as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement or otherwise, where that alteration makes the description false or misleading in a material respect, and the fact that a trade description is a trade mark or part of a trade mark shall not prevent such trade description being a false trade description within the meaning of this Law;

“**goods**” means anything which is the subject of trade, manufacture or merchandise;

“**imported goods**” do not include —

- (a) goods which, since the date of their importation, have undergone in the Islands any treatment or process resulting in a substantial change in the goods; or
- (b) goods produced or manufactured in the Islands which, after exportation, are brought back into the Islands, including any such goods which have

undergone, outside of the Islands, any treatment or process not resulting in a substantial change in the goods;

“**indication of origin**” means a definite indication of the country in which the goods were manufactured or produced, the indication being given conspicuously;

“**name**” includes any abbreviation of a name;

“**person**”, “**manufacturer**”, “**dealer**”, “**trader**” and “**proprietor**”, include any body of persons corporate or unincorporate;

“**trade description**” means the customs entry relating to imported goods, or any description, statement or any indication, direct or indirect as to —

- (a) the number, quantity, measure, gauge or weight of any goods;
- (b) the standard of quality of any goods, according to a classification commonly used or recognised in the trade;
- (c) the fitness for purpose, strength, performance or behaviour of any goods;
- (d) the place or country in which any goods were made or produced;
- (e) the mode of manufacturing or producing any goods;
- (f) the material of which any goods are composed; or
- (g) any goods being the subject of an existing patent, privilege or copyright,

and the use of any figure, word or mark which, according to the customs of the trade, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of this Law; and

“**trade mark**” has the meaning assigned to it by the *Patents and Trade Marks Law (1995 Revision)*.

- (2) The provisions of this Law, respecting the application of a false trade description to goods, shall extend to the application to goods of any such figures, words or marks, or arrangement or combination thereof, whether including a trade or not, as are reasonably calculated to lead persons to believe that the goods are the manufacture or merchandise of some person other than the person whose manufacture or merchandise they really are.
- (3) The provisions of this Law, respecting the application of a false description to goods, or respecting goods to which a false trade description is applied, shall extend to the application to goods of any false name or initials of a person, and to goods with the false name or initials of a person, applied in like manner as if such name or initials were a trade description, and for the purpose of this enactment the expression “**false name**” or “**initials**” means, as applied to any goods, any name or initials of a person which —
 - (a) are not a trade mark or part of a trade mark;
 - (b) are identical with or a colourable imitation of the name or initials of a person carrying on business in connection with goods of the same



- description, and not having authorised the use of such name or initials; and
- (c) are either those of a fictitious person, or of some person not *bona fide* carrying on business in connection with such goods.
- (4) Without prejudice to the generality of the definitions of “trade description” and “false trade description”, a trade description shall be deemed for the purposes of this Law to be a false trade description if it is calculated to be misunderstood as, or mistaken for, an indication as to the same or some other such matter which would be false or misleading in a material respect as regards the goods to which the description is applied, and anything calculated to be misunderstood as, or mistaken for, an indication of any of those matters shall be deemed for those purposes to be a trade description.
- (5) Notwithstanding anything contained in the definition of “false trade description”, no trade mark, or part of a trade mark, shall by virtue of paragraphs (b) and (c) of subsection (1) and subsection (4) be treated as a false trade description in relation to any goods to which the trade mark is applied, if —
- (a) the trade mark is one currently recorded under the *Patents and Trade Marks Law (1995 Revision)*; or
 - (b) the trade mark is one in respect of which an application for recording under that law is pending.
- (6) Nothing in this section shall operate to extend the classes of goods which, under section 14, are prohibited to be imported into the Islands as having a false trade description applied to them.

Offences to trade marks and trade descriptions

3. (1) Whoever —

- (a) forges any trade mark;
- (b) falsely applies to goods any trade mark, or any mark so nearly resembling a trade mark as to be calculated to deceive;
- (c) makes any die, block, machine or other instrument, for the purpose of forging, or of being used for forging a trade mark;
- (d) applies any false trade description to goods;
- (e) disposes of or has in his possession any die, block, machine or other instrument, for the purpose of forging a trade mark; or
- (f) causes any of the things above mentioned to be done,

is, subject to this Law and unless he proves that he acted without intent to defraud, guilty of an offence.

- (2) Whoever sells, exposes for or has in his possession for sale or any purpose of trade or manufacture, any goods or things to which any forged trade mark or false trade description is applied, or to which any trade mark or mark so nearly resembling a trade mark as to be calculated to deceive is falsely applied, unless he proves that —
- (a) having taken all reasonable precautions against committing an offence against this Law, he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the trade mark, mark or trade description, and that, on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the persons from whom he obtained such goods or things; or
 - (b) otherwise he had acted innocently,
- is guilty of an offence.
- (3) Save as otherwise provided, whoever is guilty of an offence is liable —
- (a) on conviction on indictment to a fine and to imprisonment for two years;
 - (b) on summary conviction to a fine of one thousand dollars or to imprisonment for four months, and in the case of a second or subsequent conviction, to a fine of two thousand dollars or to imprisonment for six months ; and
 - (c) in any case, to forfeit to Her Majesty every chattel, article, instrument or thing, by means of or in relation to which the offence has been committed.
- (4) The Court before whom any person is convicted under this section may order any forfeited articles to be destroyed or otherwise disposed of as the Court thinks fit.

Forging trade marks

4. A person shall be deemed to forge a trade mark who —

- (a) without the assent of the proprietor of the trade mark, makes that trade mark, or a mark so nearly resembling that trade mark as to be calculated to deceive; or
- (b) falsifies any genuine trade mark, whether by alteration, addition, effacement or otherwise,

and any trade mark or mark so made or falsified is, in this Law, referred to as a forged trade mark:

Provided that, in any prosecution for forging a trade mark, the burden of proving the assent of the proprietor shall lie on the defendant.



Applying trademarks or descriptions to goods

5. (1) A person shall be deemed to apply a trade mark or a mark or trade description to goods who —
- (a) applies it to the goods themselves;
 - (b) applies it to any covering, label, reel or other thing, in or with which the goods are sold, exposed or had in possession for any purpose of sale, trade or manufacture;
 - (c) places, encloses or annexes, any goods which are sold or exposed or had in possession for any purpose of sale, trade or manufacture, in, with or to any covering, label, reel or other thing, to which a trade mark or trade description has been applied; or
 - (d) uses a trade mark, mark or trade description in any manner calculated to lead to the belief that the goods in connection with which it is used are designated or described by that trade mark, mark or trade description.
- (2) In subsection (1) —
- “covering” includes any stopper, cask, bottle, vessel, box, cover, capsule, case, frame or wrapper; and
- “label” includes any band or ticket.
- (3) A trade mark, mark or trade description, shall be deemed applied whether it is woven, impressed or otherwise worked into, or annexed or affixed to, the goods, or to any covering, label, reel or other thing.
- (4) Goods delivered in pursuance of a request made by reference to a trade mark or trade description appearing in any sign, advertisement, invoice, wine list, business letter, business paper or other commercial communication, shall, for the purposes of paragraph (d) of subsection (1), be deemed to be goods in connection with which the trade mark or trade description is used.
- (5) A person shall be deemed to falsely apply to goods a trade mark or mark who, without the assent of the proprietor of a trade mark, applies such trade mark, or a mark so nearly resembling it as to be calculated to deceive; but in any prosecution for falsely applying a trade mark or mark to the goods the burden of proving the assent of the proprietor shall lie on the defendant.

Exemptions of certain persons employed in ordinary course of business

6. Where a defendant is charged with making any die, block, machine or other instrument, for the purpose of forging or being used for forging a trade mark, or with falsely applying to goods any trade mark, or any mark so nearly resembling a trade mark as to be calculated to deceive, or with applying to goods any false trade description, or causing any of such things to be done and proves that —
- (a) in the ordinary course of his business he is employed on behalf of other persons to make dies, blocks, machines or other instruments, for making



or being used in making trade marks, or, as the case may be, to apply marks or description to goods, and that in the case which is the subject of the charge he was so employed by some person resident in the Islands, and was not interested in the goods by way of profit or commission dependent on the sale of such goods;

- (b) he took reasonable precautions against committing the offence charged;
- (c) he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the trade mark or trade description; and
- (d) he gave to the prosecutor all the information in his power with respect to the persons on whose behalf the trade mark, mark or description was applied,

he shall be discharged from the prosecution, but shall be liable to pay the costs incurred by the prosecutor unless he has given due notice to him that he will rely on the above defence.

Application of this Law to watches

7. Where a watch case has thereon any words or marks which constitute, or are by common repute considered as constituting, a description of the country in which the watch was made, and the watch bears no description of the country where it was made, those words or marks shall *prima facie* be deemed to be a description of that country within the meaning of this Law, and the provisions of this Law with respect to goods to which a false trade description has been applied, and with respect to selling, or exposing for, or having in possession for sale, or any purpose of trade or manufacture, goods with a false trade description, shall apply accordingly; and for the purposes of this section the expression “**watch**” means all that portion of a watch which is not the watch case.

Trade mark, how described in pleading

8. In any indictment, pleading, proceeding or document in which any trade mark or forged trade mark is intended to be mentioned, it shall be sufficient, without further description and without any copy or facsimile, to state that trade mark or forged trade mark to be a trade mark or forged trade mark.

Rules as to evidence in prosecutions under this Law

9. In any prosecution for an offence, evidence of the port of shipment shall be *prima facie* evidence of the place or country in which the goods were made or produced.



Punishment of accessories

- 10.** Any person who, being within the Islands, procures, counsels, aids, abets or is accessory to the commission without the Islands of any act which, if committed in the Islands, would under this Law be a misdemeanour, is guilty of that misdemeanour as a principal, and liable to be indicted, proceeded against, tried and convicted in the Islands, as if the misdemeanour had been committed here.

Search warrant and forfeiture of goods

- 11.** (1) Where, upon information of an offence against this Law, a Justice has issued either a summons requiring the defendant charged by such information to appear to answer to the same or a warrant for the arrest of such defendant, and either the said Justice on or after the issuing of the summons or warrant, or any other Justice, is satisfied by information on oath that there is reasonable cause to suspect that any goods or things by means of or in relation to which such offence has been committed are in any house or premises of the defendant, or otherwise in his possession or under his control in any place, such Justice may issue a warrant under his hand, by virtue of which it shall be lawful for any constable named or referred to in the warrant to enter such house, premises or place, at any reasonable time by day, and to search there for, and seize and take away, those goods or things, and any goods or things seized under any such warrant shall be brought before a court of summary jurisdiction for the purpose of its being determined whether the same are not liable to forfeiture under this Law.
- (2) If the owner of any goods or things which, if the owner thereof had been convicted, would be liable to forfeiture under this Law, is unknown or cannot be found, an information or complaint may be laid for the purpose only of enforcing such forfeiture; and a court of summary jurisdiction may cause notice to be advertised, stating that unless cause is shown to the contrary at the time and place named in the notice, such goods or things will be forfeited and at such time and place the court, unless the owner or any person on his behalf, or other person interested in the goods or things, shows cause to the contrary, may order such goods or things or any of them to be forfeited.
- (3) Any goods or things forfeited under this section or under any other provision of this Law, may be destroyed or otherwise disposed of in such manner as the court by which the same are forfeited may direct, and the court may, out of any proceeds which may be realised by the disposition of such goods (all trade marks and trade descriptions being first obliterated), award to any innocent party any loss he may have innocently sustained in dealing with such goods.

Cost of prosecution or defence

12. On any prosecution under this Law the court may order costs to be paid to the defendant by the prosecutor, or to the prosecutor by the defendant, having regard to the information given by and the conduct of the defendant and prosecutor respectively.

Time limit of prosecution

13. No prosecution for an offence against this Law shall be commenced after the expiration of three years next after the commission of the offence, or one year next after the first discovery thereof by the prosecutor, whichever expiration first happens.

Prohibition of importation of certain goods

14. (1) In order to make further provision for prohibiting the importation of goods which, if sold, or the exportation of goods prohibited to be exported which, if shipped, put off or water-borne to be shipped, would be liable to forfeiture —
- (a) all goods which, if sold, would be liable to forfeiture under this Law, and also all goods not manufactured within the Islands, bearing any trade mark recorded under the *Patents and Trade Marks Law (1995 Revision)* as the trade mark of any manufacturer, dealer or trader in the Islands, unless such trade mark is accompanied by a definite indication of the country in which the goods were made or produced, are hereby prohibited to be imported into the Islands and, subject to this section, shall be included among goods prohibited to be imported as if they were specified in section 10 of the *Customs Law (1997 Revision)*;
 - (b) all agricultural produce, the exportation of which is or shall be prohibited under or by virtue of any law relating to the protection of produce, or under or by virtue of any order made under any such law, shall be subject to this section;
 - (c) before detaining any such goods, as hereinbefore mentioned, or taking any further proceedings with a view to the forfeiture thereof under the law relating to the Customs, the Collector of Customs may require the regulations under this section, whether as to information, security, conditions or other matters, to be complied with, and may satisfy himself in accordance with those regulations, that the goods are such as are prohibited to be imported or exported as the case may be;
 - (d) the Governor in Council may, from time to time, make, revoke and vary regulations either general or special, respecting the detention and forfeiture of goods, the importation or exportation of which is prohibited, and the conditions, if any, to be fulfilled before such detention and forfeiture, and may, by such regulations, determine the information,



- notices and security to be given, and the evidence requisite for any of the purposes of this section, and the mode of verification of such evidence;
- (e) where there is on any goods a name which is identical with or a colourable imitation of the name of a place in the Islands, that name unless accompanied by the name of the country in which such place is situate, shall be treated for the purposes of this section as if it were the name of a place in the Islands;
 - (f) such regulations may apply to all goods the importation or exportation of which is prohibited, or different regulations may be made respecting different classes of such goods, or of offences in relation to such goods;
 - (g) the Collector of Customs, in administering the regulations and generally in the administration of this section, whether in the exercise of any discretion or opinion or otherwise, shall act under the control of the Financial Secretary; and
 - (h) the regulations may provide for the informant reimbursing the Collector of Customs all expenses and damages incurred in respect of any detention made on his information, and of any proceedings consequent on such detention.
- (2) Where any goods which, if sold, would be liable to forfeiture under this Law, are imported into the Islands, and the goods bear any name or trade mark being or purporting to be the name or trade mark of any manufacturer, dealer or trader in the Islands, and the Collector of Customs is, upon representations made to him, satisfied that the use of the name or trade mark is fraudulent, he may require the importer of the goods, or his agent, to produce any documents in his possession relating to the goods, and to furnish information as to the name and address of the person by whom the goods were consigned to the Islands, and the name and address of the person to whom the goods were sent in the Islands; and, if the importer or his agent fails within fourteen days to comply with any such requirement, he shall, for each offence, forfeit the sum of one thousand dollars.
- (3) Any information obtained from the importer of the goods or his agent under subsection (2), or from any other source, may be communicated by the Collector of Customs to any person whose name or trade mark is alleged to have been used or infringed.
- (4) This section shall have effect as if it were part of the *Customs Law (1997 Revision)*.

Imported goods purporting to be of Caymanian origin

- 15.** (1) It shall not be lawful to sell, expose for sale, or, by way of advertising goods of some other kind, distribute in the Islands any imported goods to which there is applied any name or trade mark being, or purporting to be, the name or trade mark of any manufacturer, dealer or trader or the name of any place or district in the Islands, unless the name or trade mark is accompanied by an indication of origin.
- (2) For the purposes of this section —
- (a) a name or trade mark shall be deemed to be applied to goods if it is applied either to the goods themselves or to any covering, label, reel or other thing in or with which the goods are sold or exposed for sale; and
 - (b) “**trade mark**” means a mark which is used upon or in connection with goods for the purpose of indicating that they are the goods of the proprietor of the mark by virtue of manufacture, selection, certification, dealing with or offering for sale.
- (3) If the Governor is satisfied, after considering such representations, if any, as may be made to him by any persons appearing to the Governor to have a substantial interest in the matter, that, having regard to the special circumstances of the trade, difficulties would arise if this section applied to goods of any class or description, or goods sold under any particular designation, and that public interests in the Islands would not be materially prejudiced by exempting such goods from the operation of this section, he may direct that this section shall not apply to such goods, or that goods shall not be treated as falling under this section by reason only that they are so designated. Every such direction shall be gazetted, and published in such other manner as the Governor may deem suitable.
- (4) This section shall not have effect in respect of the application of a name or trade mark to articles used or to be used for any of the following purposes that is to say, as coverings, labels, reels, or otherwise as articles in or with which goods manufactured or produced in the islands are or are to be sold or exposed for sale if the name or mark so applied is the name or trade mark of a manufacturer of or of a dealer or trader in those goods in the Islands and the name or mark was applied with his consent.

Contravention of section 15

- 16.** Whoever sells, exposes for sale or distributes by way of advertisement, any goods in contravention of section 15 is guilty of an offence and liable on summary conviction to a fine of fifty dollars and in the case of a second or subsequent offence to a fine of two hundred dollars and the court may, in the case of a second or subsequent offence, order the goods in relation to which the offence has been committed to be forfeited:



Provided that —

- (a) in the case of the sale wholesale of any goods, it shall be a good defence to proceedings under this section if the person charged with the offence satisfies the court that the goods were sold to the purchaser on an undertaking in writing that they would be exported or sold for exportation to a place outside the Islands, and any such undertaking in writing, if it purports to be signed by the purchaser and specifies the usual business address of the purchaser, shall be admissible as evidence of the facts appearing therein; and
- (b) a person shall not be treated as being guilty by virtue of this section of an offence if he proves —
 - (i) that, having taken all reasonable precautions against committing such an offence, he had, at the time of the commission of the alleged offence, no reason to suspect that the goods were goods to which this Law applied, and that, on a demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the persons from whom he obtained the goods; or
 - (ii) that otherwise he had acted innocently.

Implied warranty on sale of marked goods

- 17.** On the sale or in the contract for the sale of any goods to which a trade mark, mark or trade description, has been applied, the vendor shall be deemed to warrant that the work is a genuine trade mark, and not forged or falsely applied, or that the trade description is not a false trade description within the meaning of this Law, unless the contrary is expressed in some writing signed by or on behalf of the vendor, and delivered at the time of the sale or contract to and accepted by the vendee.

When provisions of this Law as to false descriptions are not to apply

- 18.** Where, at 29th March, 1976, a trade description is lawfully and generally applied to goods of a particular class, or manufactured by a particular method, to indicate the particular class or method of manufacture of such goods, the provisions of this Law, with respect to false trade descriptions, shall not apply to such trade description when so applied:

Provided that where such trade description includes the name of a place or country, and is calculated to mislead as to the place or country where the goods to which it is applied were actually made or produced, and the goods are not actually made or produced in that place or country, this section shall not apply unless there is added to the trade description, immediately before or after the name of that place or country, in an equally conspicuous manner with that name, the name of the place or country in which the goods were actually made or produced, with a statement that they were made or produced there.

Savings

- 19.** (1) This Law shall not exempt any person from any action, suit or other proceeding, which might, but for this Law, be brought against him.
- (2) Nothing in this Law shall entitle any person to refuse to make a complete discovery, or to answer any question or interrogatory in any action, but such discovery or answer shall not be admissible in evidence against such person in any prosecution for an offence against this Law.
- (3) Nothing in this Law shall be construed so as to render liable to any prosecution or punishment any servant of a master resident in the Islands, who *bona fide* acts in obedience to the instructions of such master, and, on demand made by or on behalf of the prosecutor, has given full information as to his master.

False representation as to Royal Warrant

- 20.** Whoever falsely represents that any goods are made by a person holding a Royal Warrant or for the service of Her Majesty, any of the Royal Family or any Government Department, is guilty of an offence and liable on summary conviction to a fine of two hundred dollars.

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Carmena H. Parsons
Clerk of Executive Council

