



Intellectual Property: Proposal for a Primary Trade Mark Registry

Consultation Response Paper

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Background

1. On 4 December 2023, the Government of Jersey published a [consultation paper](#) seeking feedback on proposals to modernise Jersey's system of trade mark registration and protection.
2. As part of the consultation process, Government officials directly engaged with various local stakeholders to ensure input was obtained from a wide group of interested parties and industry experts. This included representatives from the legal, financial, and intellectual property (**IP**) sectors.
3. The consultation closed on 26 January 2024. In total, the Government received 8 responses. Four respondents submitted feedback using the online survey, whilst the other respondents directly wrote to the Department to submit their views. All responses have now been carefully considered and the Government would like to thank those who have taken the time to respond to this consultation.
4. This paper summarises the feedback received and sets out the Government's response to the consultation. Furthermore, the annex to this paper sets out the legal position with regard to European Union Trade Marks (**EUTMs**) and International Trade Marks through the Madrid Protocol under the current Trade Marks (Jersey) Law 2000 (**TMJL**).
5. Further questions or comments relating to this Consultation Response and Policy Paper may be directed to:

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Summary of Responses

The consultation paper invited views on:

1. The proposal to establish a system of primary registration and grant of trade marks in Jersey.
2. Potential long-term economic opportunities linked to the introduction of a system of primary trade mark registration to enhance the attractiveness of Jersey as a jurisdiction for IP holding, management and administration activities.
3. Whether seeking inclusion in the Madrid Protocol could deliver benefits for trade mark owners, professionals and the Jersey economy.
4. The proposal that the TMJL should no longer give automatic effect in Jersey to International Trade Marks (UK).
5. The proposal that fees for services provided by the JIPO under a system of primary registration should be broadly the same as the fees that apply in the UK and Guernsey for similar services.
6. The proposed transitional provisions for trade marks re-registered under the existing TMJL regime and International Trade Marks (UK).

➤ **Question 1**

6. The proposal to introduce a new, modern system of primary trade mark registration in Jersey was supported by all respondents. Amongst other things, the proposal was described as a much-needed step forward to promote Jersey as an international business and finance centre.
7. One stakeholder stated that the proposed new regime could be of benefit to the local economy in the digital era. They explained that trade mark registrations can protect not only physical products such as goods, but also intangible services such as those provided within the ever-developing digital space as well as the traditional financial and legal sectors.
8. Another respondent commented that in order to achieve international recognition as a jurisdiction that takes IP rights seriously, the system of trade mark registration in Jersey needs to be overhauled. This stakeholder advised that the introduction of a primary registration system will substantially modernise trade mark legislation in Jersey.
9. It was also pointed out by several respondents that the current system does not work for local businesses who may not be trading in the UK, but still need to obtain a UK trade mark before they can re-register this in Jersey. This requirement (and associated costs, risk of conflict with third parties and timeframes) is cumbersome for local businesses and may be a significant obstacle to seeking and obtaining trade mark protection in the Island.
10. Another respondent suggested that the need to re-register UK trade marks in Jersey under the current regime may be overlooked by some brand owners who may assume that UK trade marks provide automatic protection in Jersey, resulting in a loss of revenue locally. In their view, the implementation of new legislation, properly marketed, should create awareness around the need to directly register in Jersey. This respondent highlighted the UK's trade mark legislation as a good example to take inspiration from.
11. Whilst no respondents expressly disagreed with the proposal, one respondent questioned the timing, acknowledging that Jersey will need to look at unique selling points in order to attract inward investment.

Other respondents also highlighted the need for additional capacity and competency at the Jersey Intellectual Property Office (the **JIPO**) to operate a primary trade mark registry. One respondent suggested the introduction of a primary registration system, that includes only examination on absolute grounds (i.e. no examination on relative grounds).

12. Others also recommended that Jersey's new trade marks legislation should include a requirement for a local address for service to be used by non-Jersey applicants. This would be consistent with practice in a number of other jurisdictions, support local IP firms and allow a level of control on those who are able to act at the JIPO.

➤ **Question 2**

13. Mixed feedback was received in response to this question.
14. One respondent emphasised that strong IP protection can help attract investment in business. Another respondent also referred to Jersey's reputation as a jurisdiction which provides sophisticated financial, trust, legal and other commercial services to a global market. This respondent explained that the current IP regime in Jersey – and in particular the system of trade mark registration – has not kept up with developments in other areas and the services offered by the JIPO are significantly behind those offered in other similar sized jurisdictions. Through the introduction of modern IP infrastructure and legislation, these jurisdictions have brought about significant increases in their IP filing rates, which this respondent sees as a proxy for the attractiveness of the jurisdiction for business, both local and overseas.
15. Other respondents however did not necessarily see the link between the introduction of a system of primary registration of trade marks and Jersey being (more) attractive as a jurisdiction for IP holding, management and administration activities. One respondent pointed to Ireland and the Netherlands as potential examples of what would be needed to increase IP holding in Jersey. Respondents also questioned how the ambition of making Jersey attractive as a jurisdiction for IP holding can be reconciled with the current treatment of high-risk companies under the Taxation (Companies – Economic Substance) (Jersey) Law 2019.
16. One respondent stated that IP holding could increase if Jersey has a primary registration system and can secure inclusion in the Madrid Protocol, as Jersey companies could file and own International Registrations. However, this respondent again questioned whether IP holding could be a viable service due to economic substance requirements.

➤ **Question 3**

17. The majority of respondents agreed with the proposal to seek inclusion in the Madrid Protocol for the reasons outlined in the consultation paper, with some describing it "an absolute must". In addition, all agreed that inclusion in the Madrid Protocol would be of benefit for trade mark owners and the Jersey economy.
18. A number of respondents outlined that inclusion in the Madrid Protocol may lead to a reduced number of 'direct' filings with the JIPO. On extension of the Madrid Protocol, rather than filing directly with the JIPO, international brand owners may simply choose to 'tick' the Jersey box on the Madrid filing form to seek protection in the Island. This may impact local businesses offering IP services. However, it was acknowledged that the volume of local filings is currently very low. Furthermore, under the proposed new framework, some work could be recouped via objections and oppositions which do not currently occur due to the absence of

examination / opposition procedures in Jersey. Requiring a local address for service for non-Jersey applicants could also be a way to mitigate the impact of reduced numbers of 'direct' applications.

19. One respondent furthermore suggested that Jersey may wish to consider the approach taken in Gibraltar with regard to the Madrid Protocol. Under local legislation in Gibraltar, International Registrations designating the UK are valid and enforceable in Gibraltar. However, Gibraltar cannot be designated separately in an international registration. Rather, a designation of the UK will automatically include Gibraltar.

➤ **Question 4**

20. The approach that the TMJL should no longer give automatic effect in Jersey to International Trade Marks (UK) was supported by all respondents for reasons outlined in the consultation paper.
21. One respondent commented that the proposed approach could increase the number of local filings and, importantly, would remove the inherent unfairness of UK national marks not being recognised in Jersey while International Registrations are recognised. It will further remove the unfairness of Jersey based individuals and organisations not being able to file International Trade Marks based on a Jersey registration yet recognising, in Jersey, the rights of foreign International trade marks holders.

➤ **Question 5**

22. All respondents supported the proposal that fees for services provided by the JIPO under a system of primary registration should be broadly the same as the fees that apply in the UK and Guernsey for similar services.
23. One respondent commented that the costs of operating a primary registration system will almost certainly be higher than the current re-registration system. The aim should be to make the Registry as close to self-funding as possible.
24. A number of other respondents noted that Jersey's current fees are much lower than those of similar sized jurisdictions and that it was important for fees to be comparable, but not too high which could be a deterrent for registration in Jersey.

➤ **Question 6**

25. All respondents agreed that business continuity and continued trade mark protection are key to ensure a smooth change in registry type.
26. A number of respondents provided support for the proposed transitional provisions for trade marks that currently enjoy protection in Jersey. They commented that the proposals are reasonable and equitable and that the approach would give the owner the smoothest route to 're-protection'.
27. Other respondents acknowledged that awaiting renewal may give the owner the smoothest route to 're-protection' in Jersey. However, this would create up to a 9.5-year period where thousands of International Registrations (UK) – which are currently automatically protected in Jersey – remain valid as potential conflicts to new applications but they cannot be checked by applicants or examiners as they are not on the Jersey register.

28. One respondent put forward an alternative proposal under which there would be a set timeframe of e.g. 12 months to re-register International Registrations (UK) in Jersey either locally or via a Madrid Protocol designation, which would maintain the earlier filing date. This respondent stressed that any other local or Madrid Protocol applications filed in this period would still need to be aware of such potential earlier rights that are yet to be re-registered, but at least that window would close within a much shorter timeframe than what is currently proposed.
29. Another respondent suggested adopting an approach which mirrors that taken by the UK IPO with regard to European Union Trade Marks post-Brexit. In particular, this consisted of protecting existing rights by cloning them within the UK system.

Government Response

30. Having regard to the generally positive feedback received to the first 3 questions, the Government intends to proceed with the introduction of a system of primary trade mark registration in Jersey, subject to States Assembly approval. This would replace the system of re-registration which is currently provided for in the TMJL. As outlined in the consultation paper, the envisaged revised regime for trade mark registration and protection would be largely modelled on the framework set out in the UK Trade Marks Act 1994 which is internationally highly regarded and well-understood.
31. Recognising the importance of the Madrid System in the global IP environment, the Government also intends to continue with its preparations to seek extension of the UK's ratification of the Madrid Protocol. It was generally acknowledged that this would be advantageous for trade mark owners as the Madrid System provides a convenient and cost-effective solution for registering and managing trade marks in many jurisdictions across the world. Seeking inclusion in the Madrid Protocol is also in line with Jersey's longstanding commitment to the development and implementation of international standards. This is a cornerstone of the Island's international reputation and a commitment the States Assembly has consistently promoted and supported.
32. It has however been brought to the Government's attention that as a result of Madrid Protocol inclusion there may be fewer 'local' applications, directly with the JIPO. As the Madrid Protocol offers a simple 'one-stop-shop' solution for registering and managing trade marks globally, it is anticipated that this may become the preferred route for obtaining trade mark protection in Jersey. It was noted by respondents that, for this reason, there may therefore be less demand for 'direct filing' services offered by local IP businesses which assist their clients in the trade mark application process in Jersey.
33. The Government wants to ensure that any adverse effects associated with the proposals in the consultation are limited to the greatest extent possible. One solution that has been suggested to mitigate the impact of Madrid Protocol inclusion for local IP practitioners would be to require a local address for service to be used for non-Jersey applicants. The Government believes this is a sensible solution to support the local IP industry and will work with industry experts to ensure this is appropriately reflected in the new legislation.
34. It should also be noted that the current volume of direct filings in Jersey is very low, limiting the potential impact of Madrid Protocol inclusion on the business of local trade mark attorneys. Moreover, it was acknowledged by respondents that Madrid Protocol inclusion could also open up some new workstreams for Jersey's trade mark attorneys. For example, via objections and oppositions which are lines of work currently not available to local trade mark attorneys due to the absence of examination / opposition procedures in Jersey.
35. Furthermore, figures from the World Intellectual Property Organization show that inclusion in the Madrid Protocol does not necessarily lead to a reduced number of direct filings in a jurisdiction. This is partly because the Madrid Protocol makes it easier for rightsholders to obtain protection in a particular jurisdiction, a course of action which, in absence of Madrid Protocol membership, they may not have undertaken in relation to that particular jurisdiction. In this scenario, International Registrations would thus not necessarily replace direct filings with the JIPO.
36. As regards question 4, the proposal, that the TMJL should no longer give automatic effect in Jersey to International Trade Marks (UK), was generally supported. As outlined in the consultation paper, automatic recognition and protection of International Trade Marks (UK) is not considered in line with the Government's

ambitions to develop Jersey as a stand-alone, mature and internationally well-understood jurisdiction for trade mark registration and protection. Furthermore, if International Trade Marks (UK) continue to be automatically recognised in Jersey, there may be no incentive to include Jersey as a separate designation in an international application and, as such, there would be no commercial advantage for the Registry and local IP industries in Jersey.

37. Furthermore, the proposal set out in question 5, that fees for services provided by the JIPO under a system of primary registration should be broadly the same as the fees that apply in the UK and Guernsey for similar services, was widely supported by respondents. In light of the feedback received, Government's intention is therefore to set fees at a similar level under the proposed new system of primary trade mark registration.
38. The last question of the consultation paper requested feedback on transitional provisions for both trade marks that have been re-registered in Jersey under the existing TMJL regime and International Trade Marks (UK) that are currently automatically recognised and protected in Jersey.
39. A number of respondents supported the proposed approach. However, as regards, International Trade Marks (UK) some stakeholders suggested that the proposed approach could lead to a prolonged period of potential legal uncertainty. More specifically, under the proposed approach there would be a protracted period of time where potentially thousands of International Trade Mark (UK) rights covering Jersey remain valid as potential conflicts to new applications, but they cannot be checked by applicants or examiners as they are not on the Jersey register. These respondents suggested to 'draw a line' under the old system after a short 'grace period' to create legal certainty moving forward. It was proposed to give owners of International Trade Marks (UK) a period of time (e.g. 12 months) to re-register their International Trade Marks (UK) either directly with the JIPO or via a Madrid Protocol designation, rather than continuing the automatic protection until the renewal date of the mark.
40. The Government acknowledges the merit of the proposed solution to reduce the ambiguity which could be created by the original proposal. The Government will therefore work with industry experts to develop transitional provisions which strike an appropriate balance. On the one hand, any transitional provision must respect the rights of those who currently enjoy trade mark protection in Jersey, whilst, on the other hand, it should also create legal clarity for individuals and businesses seeking trade mark protection in Jersey under the new system, including the ability of the JIPO to examine such new applications.

Next Steps

41. The Minister has approved and authorised the publication of this paper setting out the Government's response to the Trade Marks consultation that was published on 4 December 2023.
42. Once draft legislative amendments have been prepared, a further round of stakeholder engagement will take place, enabling interested parties to submit any further comments.

Annex

1. EUTMs

Until April 2009:

- The purpose (inter alia) of the TMJL was to give effect in Jersey to the Community Trade Mark Regulation (Regulation (EC) No. 40/94), which meant that, from its commencement in October 2000 until April 2009, the TMJL automatically protected Community Trade Marks (CTMs) in Jersey.

After April 2009:

- The Community Trade Mark Regulation was repealed on 12 April 2009. The repeal was enacted by Regulation (EC) 207/2009. As a result, from 12 April 2009 onwards, the TMJL has not protected CTMs/EUTMs in Jersey, because it purports to incorporate a European Regulation which no longer exists, and the Law was not amended so as to give effect to the subsequent EC/EU Regulations.

How to obtain trade mark protection in Jersey:

- Holders of an EUTM can obtain trade mark protection in Jersey by re-registration of a trade mark first obtained in the United Kingdom (this includes so-called 'comparable UK trade marks').

2. International Trade Marks

International trade marks (UK):

- International trade mark registrations protected in the UK under the Madrid Protocol are automatically protected in Jersey without the need for re-registration locally by virtue of Article 13 of the TMJL and the definition of a "protected international trade mark" in Article 1 of the TMJL.

International trade marks (EU):

- As regards international (EU) trade mark designations, these are not (and have never been) automatically protected in Jersey because they do not fall within the scope of the definition of "protected international trade mark" in Article 1 of the TMJL and, therefore, do not benefit from the protection afforded by Article 13 of the TMJL.