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Intellectual Property Office of New Zealand  
Te Pou Rāhui Hanga Hou

Report of the  
**COMMISSIONER OF PATENTS,  
TRADE MARKS AND DESIGNS**

TO THE MINISTER OF COMMERCE

for the year ended  
30 June 2011

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Presented pursuant to s.116 of the Patents Act 1953

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*The Intellectual Property Office of New Zealand (the "Office") is a business unit of the Ministry of Economic Development and its activities are further described in the Report of the Ministry of Economic Development for the year ended 30 June 2011.*

## COMMISSIONER'S COMMENTARY

The Intellectual Property Office of New Zealand ("IPONZ") is responsible for managing the regulatory framework for intellectual property ("IP") – it registers trade marks and designs, grants patents and plant variety rights ("PVR") and provides search facilities for these registers.

Overall business volumes this year were similar to the previous year, with only marginal movements in volumes across the IP divisions. In the trade mark section, application volumes (17,427 applications) were marginally up (1.5% or 254 applications). However, it was pleasing to note that the breadth of protection sought by applicants widened compared to last year with the total number of classes applied for (31,904) representing a 3.4% increase (or 1,056 additional classes). On the other hand, PVR applications were down 5.8% (or 9 applications), while design application volumes increased by 6.8% (or 82 applications).

A close analysis of the patent division reveals that while the total number of patents filed this year was relatively constant at 6,163, total standard patent applications increased 11.5% to 1,948, compared to 1,747 standard applications being filed in the previous year. This represents the highest filing volume for standard applications for the past six years, however the number of PCT National Phase filings was slightly lower ending the year 2.8% down (to 4,215 PCT National phase filings).

The IPONZ focus for the 2010/11 financial year has been on continuing the business transformation project (Project Compass) following the 2009 business evaluation undertaken by PWC. In addition, the office has also sought to progress the outcomes under the Single Economic Market (SEM) initiatives announced by the Prime Ministers of New Zealand and Australia in 2009.

### **Project Compass**

Project Compass is a business transformation programme of work that will enable IPONZ to introduce new and effective tools, systems, and processes to facilitate law reform requirements<sup>1</sup>, deal with increased application volumes and provide client-centric online interaction with IPONZ. Project Compass is anticipated to improve the quality and consistency of IPONZ's core role of examination of IP rights.

The system replacement component of Project Compass is to be delivered in four stages that will build capability incrementally and provide a transformed online service for clients. This strategy has proven to be successful so far with the project being on track to be delivered on time and on budget. The project to date has delivered a new Trade Mark and Design search tool for examiners and completed a pilot for a new search tool for Patent examiners. The main case management replacement phases of the project are scheduled to go into production for the Trade Mark and Designs sections in February 2012. The Patents, PVR and international registrations solutions are scheduled to go into production in mid-2012.

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<sup>1</sup> The Patents Bill and the Trade Marks (International Treaties and Enforcement) Amendment Bill which, at the date of this report, are both awaiting their second reading.

I am also pleased to report that good progress has been made on several other business transformation work streams under Project Compass. In summary:

- The uptake of online filing facilities has, since the beginning of the financial year, continued to be strong with trade mark online filings increasing to 97.9% from 93% and patent online filings increasing to 70.7% from 61%. However design online filings decreased to 82.1% from 93%.<sup>2</sup> It is envisaged that the numbers will continue to improve with the release of a number of government to business web services aimed at high users hosted through the Business.govt website in the coming year.
- To further facilitate the strategy to move to a fully electronic service, improvements have been made to online correspondence functionality and applicants and their agents have been given real time secure access to their file online. In addition, trade mark applicants have also been given access to a useful online tool that help to build the goods and service descriptions from pre-approved lists. This helps applicants think about the breadth of their protection, will speed up acceptance and reduce compliance costs.
- IPONZ has secured ISO 9001 certification for the Trade Mark, Patent and Designs divisions. It is anticipated that PVR will secure certification in the coming year.
- The PCT backlog was further reduced by 55.2% (3164 files) to 2561 files and builds on a similar reduction of 3202 files in the 2009/10 year.
- IPONZ has developed costing models in preparation for a fee review that will be linked to the regulations required under changes to legislation.
- IPONZ worked with the Ministry's policy branch to prepare new regulations under the Designs Act in order to streamline the application and registration process and bring into force the changes to the Designs Act 1954 made in the Designs Amendment Act 2010.
- A work flow review identified potential efficiency improvements. Some of these have already been implemented and the remainder will be released with the new IT system.

### **IP Single Economic Market Outcomes**

In the 2009/10 year the Prime Ministers of New Zealand and Australia announced the Single Economic Market (SEM) agenda. Under the Single Economic Market agenda, the New Zealand and Australian governments are intensifying efforts to remove regulatory barriers to trans-Tasman trade and firms operating in both markets. The aim is to create a more seamless trans-Tasman business environment. At that time the Prime Ministers sought to introduce:

1. a single regulatory framework for patent attorneys;
2. a single trade mark regime;
3. a single application process for patents;
4. a single PVR regime.

These outcomes were further extended in February 2011 on the announcement that a single patent examination process was to be initiated for patent applications in Australia and New Zealand. Under the single examination process, patent applications for the same invention will be examined by a single examiner from either Australia or New Zealand. The process would take account of the separate national laws and will produce two separate Australian and New Zealand patents. This will reduce duplication of effort by the Australian and New Zealand Intellectual Property Offices and align our systems to make it easier for businesses

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<sup>2</sup> Design application volumes are comparatively low and therefore percentages have fluctuated throughout the year.

to protect their intellectual property in both countries. Progress toward reaching these outcomes is summarised as follows:

Outcome	Progress
Patent Attorney Regulation	A discussion paper was released and submissions were received on proposals to establish a single governance body for patent attorneys, provide consistent qualification requirements for registration as a patent attorney, establish a single register and a single disciplinary regime. These submissions are under consideration and we expect policy decisions will be made in the coming year.
A single Trade Mark regime	The third stage of a comparative examination trial between IPONZ and IP Australia has been completed. The offices are now considering options to take this forward as well as considering the impact of New Zealand acceding to the Madrid Protocol in 2012. In the meantime, terms of reference have been agreed between the offices on forming a Trans-Tasman Trade Mark Expertise Group to encourage further cooperation and harmonisation at a practical level.
A single Patent application and examination process	An implementation plan has been agreed which builds on the principles developed between IPONZ and IP Australia in November 2010 to help govern cooperation. Under the plan, the project will extend over three years with various product delivery dates and a proposed final completion by June 2014 <sup>3</sup> .
A single PVR regime	It has been identified that closer alignment between the legislative frameworks will need to be achieved but until then IPONZ and IP Australia are considering aligning some operational practices to facilitate applications on both sides of the Tasman.

Finally, despite the very full year, I am pleased to report that IPONZ has exceeded its client service targets for the issue of examination reports and responses to significant volumes of correspondence. In this regard a total of 19,997 examination reports (or 99.6%) were issued within the target of 15 business days of receipt, meeting the objective against a set target of 95%. The office responded to 54,440 pieces of correspondence also within the target of 15 business days of receipt, representing a success rate of 98.5% and meeting the target of 90%.



Neville Harris  
Commissioner of Patents, Trade Marks and Designs

<sup>3</sup> Subject to legislative reform in New Zealand and Australia

# **PRINCIPAL FUNCTIONS OF THE INTELLECTUAL PROPERTY OFFICE**

IPONZ is a business unit of the Business Services Branch of the Ministry of Economic Development (the “Ministry”).

IPONZ is responsible for the examination, grant and registration of patent, trade mark and design intellectual property rights. Innovation and creativity are important elements in gaining a competitive edge in the marketplace and for many business ventures intellectual property is one of their most important assets. Through the provision of these services, IPONZ helps business and individuals to realise the full economic potential of their intellectual property.

We have a long history of assisting innovative New Zealanders to benefit from their creativity: the New Zealand Patent Office was established in 1870. Today, IPONZ administers the Patents Act 1953, the Trade Marks Act 1953, the Trade Marks Act 2002, the Designs Act 1953 and the Designs Amendment Act 2010. These Acts place statutory obligations on IPONZ and the Commissioner of Patents, Trade Marks and Designs in relation to the examination and registration or grant of intellectual property rights. IPONZ also maintains registers of these rights and interests.

## ***Operational Functions***

In addition to administering the relevant legislation and registers, IPONZ performs a number of operational functions including:

- Examination services for patent, trade mark and design applications
- Implementing international agreements
- Providing assistance and information to clients
- Administering proceedings and conducting hearings on oppositions to intellectual property (IP) registrations and eligibility matters
- Maintaining a register of patent attorneys
- Contributing to policy development on IP rights
- Acting as a receiving office for the World Intellectual Property Organization (WIPO).

## ***Examination Services Group***

Consisting of two groups of IP examiners (one team with responsibility for trade marks and one team responsible for patents and designs), the key accountability of the Examination Services Group is to examine applications from clients and to advise as to their eligibility for protection based on the relevant legislation and international treaties. The efficiency and accuracy of the examination service IPONZ provides is a vital factor in ensuring robust IP registers and maintaining a sound national and international reputation.

In addition to examination services, the Group contributes to the development of IP policy and legislative reform, and liaises with key client groups to ensure IPONZ continues to provide high quality examination services.

## ***Business Support Group***

The Business Support Group consists of three units. The following is a brief overview:

- The Business Support unit is responsible for managing the financial processing and preparation of applications for examination. They also process all documentation concerning the ongoing maintenance of registered IP, respond to general public enquiries and assist with general database maintenance.
- The Records unit provide a file storage and retrieval service.
- The Business Development unit is tasked with raising IP awareness amongst New Zealand small to medium business enterprises and young entrepreneurs. Responsibilities include: building IP education public and private sector partnerships, producing tailored IP education resources and devising effective communication strategies. Business Development also coordinates international delegation visits. The Unit keeps abreast of international developments and ensures appropriate input is given in respect of international discussions.

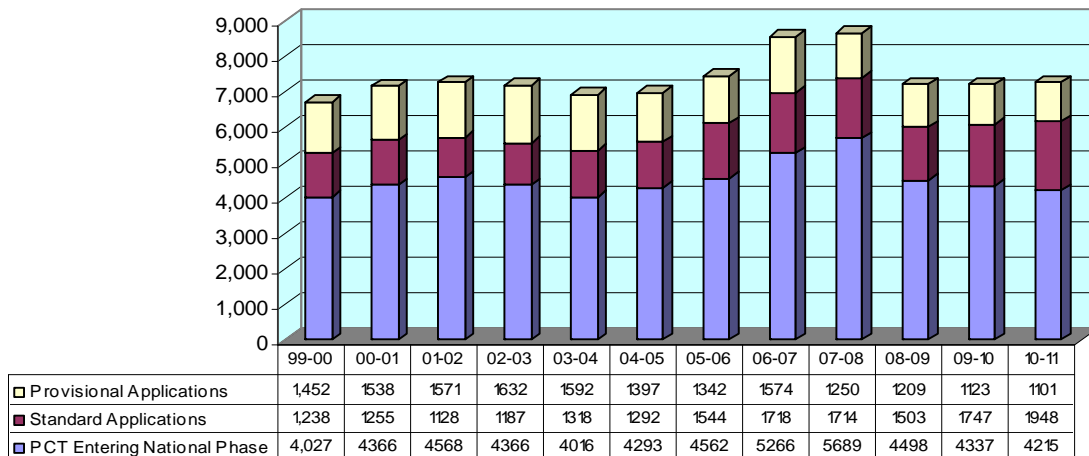
## ***Hearings Office***

The Hearings Office is the arena in which the majority of the quasi-judicial responsibilities of the Commissioner are exercised. Hearings staff become involved in proceedings when an opposition to the grant of an IP right is filed, when a revocation, rectification or invalidity application is made, or when a hearing is requested.

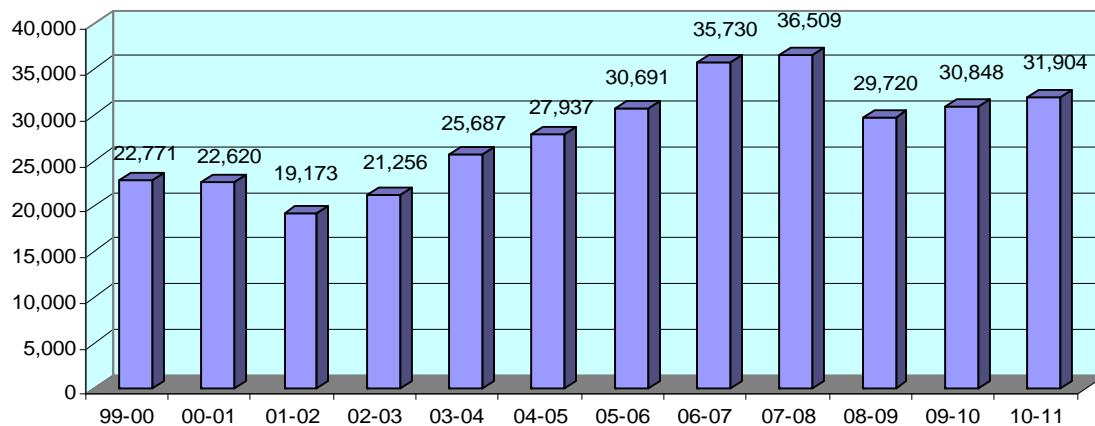
A panel of Assistant Commissioners (Hearings Officers) with a wide range of experience make decisions on matters referred to the Commissioner for a hearing.

# BUSINESS VOLUMES

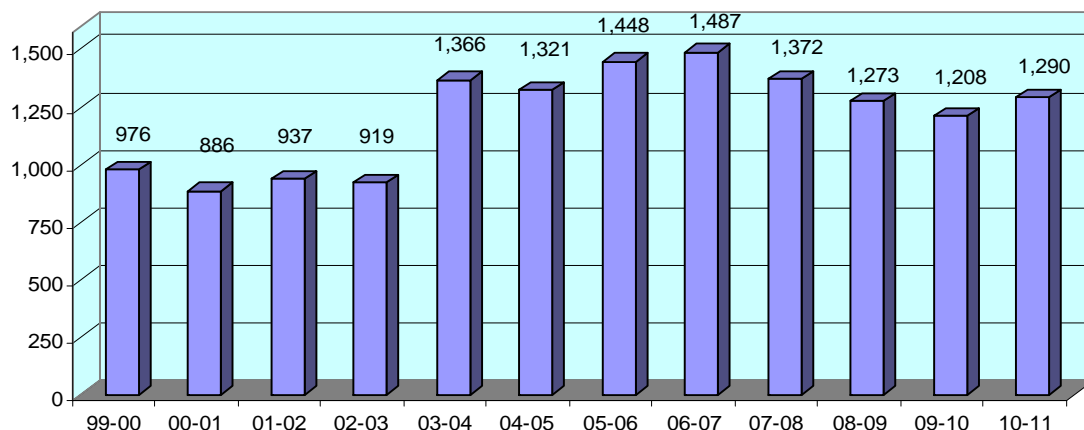
## Patent Application Volumes<sup>1</sup>



## Trade Mark Application Volumes<sup>2</sup>



## Design Applications Volumes



<sup>1</sup> Previous Annual Reports reported "Standard Applications" excluding applications with a complete specification filed following an application with a provisional specification. "Standard Applications" now incorporate all complete standard applications.

<sup>2</sup> The Trade Marks Act 2002, which came into force in August 2003, introduced a provision for filing multi-class applications. The trade mark volumes for 2003 onward reflect these changes with the average number of classes per trade mark application being 1.8.



## OTHER BUSINESS STATISTICS

### PATENTS<sup>1</sup>

Provisional Applications  
National Phase Applications  
Standard Applications  
PCT International Applications  
Acceptances in Journal  
Sealings  
Assignments  
Renewals  
Number of Patents on the Register

10-11	09-10	08-09	07-08	06-07
1,101	1,123	1,209	1,250	1,574
4,215	4,337	4,498	5,689	5,266
1,948	1,747	1,503	1,714	1,718
232	304	307	393	337
4,726	4,266	3,331	3,094	3,656
4,517	4,035	3,483	2,856	3,607
2,436	3,651	2,906	3,222	2190
9,624	9,789	9,714	10,109	10,040
34,810	34,465	34,126	33,985	34,424

### DESIGNS

Applications  
Registrations  
Renewals  
Number of Designs on the Register

1,290	1,208	1,273	1,372	1,487
1,009	1,076	1,463	1,381	1,227
1,067	948	1,148	719	786
9,878	9,913	9,744	9,136	8,506

### TRADE MARKS<sup>2</sup>

Search or Preliminary Advice by class  
Applications  
(number of classes)  
Immediate Advertisements (number of classes)  
Acceptances in Journal  
(number of classes)  
Registrations  
(number of classes)  
Assignments  
Renewals  
(number of classes)  
Number of Trade Marks on the Register

1,275	1,397	1,174	1,134	1,413
17,427 (31,904)	17,173 (30,848)	16,358 (29,720)	19,764 (36,509)	20,173 (35,730)
8,690 (13,929)	8,927 (14,769)	5,530 (8,516)	6,649 (9,960)	5,464 (7,713)
14,174 (25,605)	14,195 (27,897)	17,456 (35,106)	13,134 (23,493)	13,342 (23,974)
13,952 (25,995)	15,087 (29,113)	16,362 (31,534)	12,963 (23,612)	13,027 (22,996)
17,036	24,936	25,313	27,306	24,045
3,853 (4,079)	11,179 (12,024)	12,902 (13,922)	12,609 (14,608)	12,367 (13,229)
218,063	207,712	204,682	199,023	196,906

### HEARINGS

Oppositions  
Hearings Held  
Decisions Issued

245	240	301	164	344
41	26	30	32	53
62	53	54	62	66

<sup>1</sup> Previous Annual Reports reported "Standard Applications" excluding applications with a complete specification filed following an application with a provisional specification. "Standard Applications" now incorporate all complete standard applications.

<sup>2</sup> The Trade Marks Act 2002, which came into force in August 2003, introduced a provision for filing multi-class applications. The trade mark volumes for 2003 onward reflect these changes with the average number of classes per trade mark application being 1.8.

# FINANCIAL INFORMATION

## INTELLECTUAL PROPERTY OFFICE OF NEW ZEALAND STATEMENT OF FINANCIAL PERFORMANCE <sup>1</sup> FOR THE YEAR ENDED 30 JUNE 2011

	<b>Actual</b>	<b>Estimates</b>	<b>Actual</b>
	<b>10-11</b>	<b>10-11</b>	<b>09-10</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<i>Revenue</i>			
Patents	6,026	5,560	5,835
Trade Marks	4,274	4,597	6,147
Designs	261	258	248
Other	320	4,616	299
<b>Total Revenue</b>	<b>10,881</b>	<b>15,031</b>	<b>12,529</b>
<i>Expenditure</i>			
Personnel Costs	4,667	4,584	4,430
Direct Operating Costs	4,462	4,933	3,795
Other Operating Costs	3,904	3,841	3,931
Depreciation	116	75	42
Capital Charge	110	110	77
<b>Total Expenditure</b>	<b>13,529</b>	<b>13,543</b>	<b>12,275</b>
<b>Surplus</b>	<b>-2,378</b>	<b>1,488</b>	<b>254</b>

Notes:

1. The Intellectual Property Office of New Zealand is a business unit of the Ministry of Economic Development. The Statement of Financial Performance above has been extracted from the full Statement of Financial Performance of the Ministry for the year ended 30 June 2011.

## LEGISLATION ADMINISTERED

Patents Act 1953  
Trade Marks Act 1953  
Trade Marks Act 2002  
Designs Act 1953  
Designs Amendment Act 2010  
Plant Variety Rights Act 1987

## PUBLICATIONS

### ***www.iponz.govt.nz***

The website provides a general introduction to intellectual property and specific information about how to protect your ideas. The following services are available online:

- Search the Register - search for patents, trade marks, designs and plant variety rights.
- Renew your patent, trade mark or design.
- Apply for a patent, trade mark or design.
- Submit your patent, trade mark and design correspondence online.
- Track your application and correspondence progress through “View IP History”
- Search the decisions of the Commissioner issued by the Hearings Office
- Online Journal - search the online intellectual property journals.

### ***The Journal***

The monthly Journal is published on our website ([www.iponz.govt.nz](http://www.iponz.govt.nz)). Each Journal issue has a searchable index, along with information on actions relating to patent, trade mark and design applications and registrations. For example, you can view the abridgement and drawing(s) of accepted patent applications and the details of accepted trade marks and designs in the Journal. The period during which oppositions to grant or registration can be filed commences upon the advertisement of acceptance in the Journal.

The Journal also contains information such as fees and news of developments under the Patent Cooperation Treaty, any industrial exhibitions recognised for the purposes of the Patents and Design Acts, and IPONZ opening hours.

### ***Monthly Business Newsletter***

The IPONZ Newsletter is published monthly as part of the Ministry’s Business Update, and includes general information, changes and proposed changes to IPONZ practice and procedures.

## CONTACT DETAILS

**Business Address:**

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Ministry of Economic Development  
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Marion Square  
WELLINGTON 6141

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**Information Line** 0508 4 IPONZ (0508 447 669)