

2003

PATENT ATTORNEYS

EXAMINATION

PAPER A1

The New Zealand Law and Practice
relating to Patents and Designs

Regulation 158(1) (a)

Duration: 3 hours (plus 10 minutes for reading)

PAPER A1

Q1. The term "fairly based" is used in the Patents Act 1953 in the context of the requirements of the claims of a complete specification (section 10(4)), the priority date of the claims of a complete specification in section 11 (2) and as a ground for revocation under section 41 (1)(i).

Please discuss with reference to any relevant case law what is meant by this term "fairly based" including a full discussion on any differences in its meaning as used in the aforementioned sections of the Act.

8 marks

Q2.(a) Your client has filed a PCT International application following an original filing of a New Zealand application accompanied by a provisional specification. The PCT application designates New Zealand and you are now entering National Phase in New Zealand claiming priority from the original provisional specification. What difficulties, if any, may exist in claiming priority in that circumstance?

4 marks

Q2.(b) Your client used her invention publicly in New Zealand shortly after you filed her provisional specification but before the filing of the PCT International application. She also published full details of it in a trade magazine. Her granted New Zealand patent includes claims which are not fairly based on the provisional specification. What effect, if any, on the validity of those claims does your client's use and publication of her invention have? Please discuss with reference to any relevant sections of the Act. Consider whether there is any difference in your advice to your client if she had used and published exactly what was described and illustrated in the provisional specification, or included modifications.

6 marks

Q3. Your client is the owner of a New Zealand patent and on her instructions you have written a letter to an alleged infringer of the patent. In response, the patent attorneys acting for the alleged infringer have referred to alleged inadequacies in the technical content of the patent specification and they have also referred to very relevant "prior art". Please advise your client as to the ability to amend the patent specification and the options in respect of the timing of any amendment. **8 marks**

Q4. You are required to provide a patent infringement opinion. Please advise your client as to the approach which a New Zealand court will take in interpreting the claims of New Zealand patent specifications, with reference to any relevant case law.

6 marks

Q5. In contrast to the provisions of section 21, it is a ground of revocation of a New Zealand patent under section 41 that the invention was used, or was secretly used, in New Zealand. Please discuss with reference to the Act and any relevant case law, what constitutes "use" and "secret use" of an invention for the purposes of the Act. **5 marks**

Q6. Your client employs a research worker to develop new floor cleaners. He has discovered a New Zealand patent application in the name of his employee for an invention entitled "Floor cleaner".

(a) Advise your client as to his rights and what action can be taken and when.

3 marks

(b) You then find another application in the same name for an invention entitled, "A spade". What is your advice now?

2 marks

(c) Your client wants now to employ an independent consultant because employing people is too difficult. Advise your client on any issues which may arise and how these may be dealt with. **3 marks**

Q7. Your client has arrived back from the USA with a product she wants to manufacture and market in New Zealand. You conduct a search in the name of the US manufacturer and find a pending New Zealand national phase application which is currently under examination. Advise your client as to the actions which should now be taken and what options she may wish to consider. **7 marks**

Q8. Cracker Pharmaceuticals Limited ("Cracker"), a joint venture company between a New Zealand Crown Research Institute and Cracker Holdings Limited of Wanganui, has been researching into the properties of PROPANAZIDE, a compound known for use in the treatment of hair loss.

PROPANAZIDE is one of a number of compounds covered by New Zealand patent no. 535291 to UniPat Limited. The PROPANAZIDE compound used by Cracker falls within the scope of the broad claims of NZ 535291 and is specifically mentioned as one of the most preferred compounds. NZ 535291 is currently in force in New Zealand as the patent was sealed about six months ago.

Cracker have no particular commercial motivation in researching into the properties of PROPANAZIDE. To them, the compound is interesting because it behaves in curious ways when subjected to treatment by a variety of extracts taken from the bark of Totara trees that grow in the Wanganui area. Most notably, it seems that a combination of certain of the extracts together with PROPANAZIDE react to form something that, while promoting hair growth, restricts the maximum growth of that hair. This particular observation is being kept highly confidential by Cracker.

Cracker has received the following letter from UniPat Limited.

"Dear Sirs,

We have been informed that you are using PROPANAZIDE to produce a hair treatment product. We are the owners of NZ 535291 which was granted six months ago and NZ 535291 is, in our view, valid. A copy of this patent is attached. Your use of PROPANAZIDE infringes at least claim 1 of NZ 535291 and if you do not stop your current activities we will take action in the New Zealand courts to prevent you continuing. We give you one week from the date of this letter to take the appropriate action to stop your infringing activities.

Yours faithfully

UniPat Limited"

(a) You have been asked by Cracker to advise it on the issues that it faces. What issues, if any, arise from UniPat Limited's letter? Do Cracker's recent research activities constitute an infringement of NZ 535291? Are there other related issues that should be considered? **5 marks**

Q9. Continuing with the fact scenario from question 8 above, one year after the issues with UniPat have been resolved, Cracker discovers that a reaction product of PROPANAZIDE and a specific Totara tree bark extract is PROPANAZOLE. This compound is clearly covered by the broad claims of NZ 535291 but it is never specifically mentioned in that patent specification. As far as Cracker has been able to ascertain, and it has done quite extensive searches, there is no other disclosure of PROPANAZOLE in New Zealand. Cracker's research into the properties of PROPANAZOLE has shown that this compound has a remarkable ability to stimulate hair growth and, in all the cases investigated by Cracker, a thick hair growth was observed but in no case did the hair grow longer than about 1cm. The individual cases that Cracker had investigated have shown that this affect continued for a period of over six months.

(a) Cracker has again approached you for advice in relation to its recent research. With reference to relevant case law, what options are open to Cracker? What might be some of the difficulties that Cracker could face should it look to commercialise PROPANAZOLE? **10 marks**

(b) How would the options for Cracker change if the fact scenario in question 9 was such that the extensive search conducted by Cracker had shown that PROPANAZOLE had been reported in literature available in New Zealand, but only as a compound of potential use as an insecticide. This particular publication was first received in New Zealand after NZ 535291 had been accepted. Might the disclosure of NZ 535291 itself impact on the potential options for Cracker? **5 marks**

Q10. Continuing with the fact scenarios outlined in questions 8 and 9(a) but excluding the alternative fact scenario in question 9(b), Cracker decides that it wants to release a product including PROPANAZOLE as the active ingredient for the treatment of male pattern baldness. Current health regulations in New Zealand require that such a product be extensively tested on volunteer subjects for at least two years prior to the product being able to be sold commercially in New Zealand. There are stringent regulatory requirements surrounding the release of such products. As a result, Cracker decides to contract out the testing required to Health Testers Limited, a company that specialises in such testing. Health Testers Limited are expensive but have a good track record in assisting companies through the regulatory hurdles. Six months after Health Testers Limited starts its testing programme, it receives a letter of complaint from UniPat Limited bringing the attention of Health Testers Limited to the existence of NZ 535291 and suggesting that Health Testers Limited seeks legal advice. Somewhat concerned, Health Testers Limited refers the letter to Cracker and asks what is going on?

(a) Cracker has again referred the issue to you for advice. Do the testing activities of Health Testers Limited or Cracker infringe NZ 535291? **5 marks**

(b) Would your advice in (a) above change in any way if the testing carried out by Health Testers Limited had occurred during 2001 and, if so, why? (Please refer to relevant case law to support your answer.) **8 marks**

Q11. You have received instructions from P.Floyd Ltd of the UK. Mr Floyd of P Floyd Ltd has recently been in New Zealand and, while here, saw a replica of one of his company's products on sale in a New Zealand shop. Investigation showed that it had been manufactured and marketed in New Zealand for 7 years. Further investigation has also revealed that the product is also the subject of a New Zealand patent in the name of the New Zealand manufacturer (unrelated to P Floyd Ltd), which is in force. The Floyd product, a wall bracket, had been manufactured and marketed only in the UK for the past 10 years.

(a) Mr Floyd asks for your view on how the NZ patent would in any way be valid? The product covered is clearly the same as his. **5 marks**

(b) What options might Mr Floyd have to prevent continued sale of the NZ replica product? **2 marks**

Q12. Your client has developed a rather clever way of ensuring that a company's payroll system operates efficiently with a minimum of human intervention. The system would be run using account books but is more preferably run on a P.C. Your client has not heard of anyone using a similar system and wants to know how he can protect himself from people taking his idea. What are the requirements in NZ for obtaining patent protection for such a system? **8 marks**