

**2012**

**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)

When considering answers to the questions in this year's examinations, no account is to be taken of any provisions of the Patents Bill, or any other Bill that may be before the New Zealand Parliament.

**Question 1 (total - 13 marks)**

Your client, Funny Gas (FG), makes whoopee cushions. The cushions utilise a special valve to increase the noise the cushion makes as air is forced out the valve. FG has contacted you as it has received a letter from Wahoo Whoopee (WW) alleging infringement of New Zealand Patent No. 111222.

You retrieve the specification of NZ111222, which has a priority date of 8 March 2010, and discover it is indeed for a valve for a whoopee cushion. Your client confirms the valve is very similar to the ones used in FG's cushions.

However, your client goes on to state that the valve of FG's cushions is based on one that was included in a cushion that he purchased on a holiday to Japan in 2002. He had so much fun with his cushion, made by a company called Kushy Cushions (KK), that he imported 100 of them to New Zealand and sold them all before developing and retailing his own.

As a result of a prior art search, you have located a United States patent published in 2002. In your view, this document anticipates some if not all of the claims of NZ111222, the acceptance of which was advertised on 27 April 2012.

- a) What questions should you ask of your client and what further investigations should you make of NZ111222 before advising your client further? (3 marks)
  
- b) Advise your client, who has limited funds, of the pros and cons of the options that are available to it. It is not necessary to go into a detailed discussion of relevant procedures. (10 marks)

**Question 2 (total - 3 marks)**

Your client, Kiwi Marine Remedies (KMR), makes and exports veterinary supplements using extracts derived from New Zealand marine species. KMR is considering entering the market with a new product which is based on Green-lipped Mussel extract in combination with a particular anti-inflammatory active.

KMR believes the product, useful in treating arthritis in dogs and cats, will be a significant earner for the company. It is beginning to prepare for trials with a view to submitting an application for the product for regulatory approval under regulations including New Zealand's Agricultural Compounds and Veterinary Medicines (ACVM) Act 1997 and Regulations. In the course of writing up documentation for the trials, one of KMR's scientists came across a current New Zealand patent for the anti-inflammatory active that it intends to use in the new product.

Advise your client on what it can and cannot do in these circumstances. (3 marks)

**Question 3 (total - 20 marks)**

Your client, Revolutionary Performance Machinery (RPM), manufactures suspension systems for cars. Because the system utilises a driver operable mechanism for adjusting the ride height of the suspension springs while the car to which the system is fitted is in motion, it is very popular in competitive off road car racing. RPM has a granted patent in New Zealand for the system, as well as a pending United States patent application with claims identical to those granted in New Zealand.

- a) The Examiner of the corresponding United States application has cited prior art which he has asserted prior publishes the invention. What is the test for prior publication in New Zealand? (2 marks)

On applying the test in part a) you consider the invention as it is defined by claims 1 and 3 to 5 is anticipated.

b) Advise RPM on what options are available with regard to amendments and any procedures that need to be completed to ensure its New Zealand patent is as robust as possible, bearing in mind RPM would prefer to avoid incurring costs in New Zealand if it can. (10 marks)

RPM has another suspension system which has been sold since 1996, and which was the subject of a patent filed in 1995. This suspension system is RPM's best selling product and RPM wants to maintain its position in the market. One of RPM's employees has devised an improvement to the suspension system. The managing director of RPM, Bob, is a bit of a know-it-all and has heard of a Patent of Addition. Bob wants to know if the improvement would be suitable for protection via this means.

c) Advise Bob and comment on any issues that might influence his decision. (4 marks)

Regardless of your answer to 3c, the client has decided to file a patent application accompanied by a provisional specification for the improvement and accordingly instructs you to start work on a patent application. In discussing the improvement with the inventor, you discover that he is the accounts manager of RPM. He tells you that he devised the improvement while working after hours on his own car in RPM's workshop.

d) How does this have a bearing on the patent application and what further information and documentation would you ask for in order to effect the filing of the provisional specification in the name of RPM? (4 marks)

**Question 4 (total - 12 marks)**

It is Wednesday, 27 June 2012. Arriving at the office in the morning you find you have received instructions from an associate to file a national phase application in New Zealand based on a PCT application with a priority date of 29 October 2009.

- a) Outline to the associate what needs to be done to effect this national phase filing in New Zealand, including a discussion on procedures. (8 marks)

Later in the day, you receive further correspondence from the same associate. The associate has instructed you to file another national phase application in New Zealand. The instructions note that the parent PCT application was filed four days after the end of the priority year together with a request to restore the right of priority under rule 49ter.2 of the PCT regulations.

- b) Can priority be restored in New Zealand and what further information do you require from the associate? (4 marks)

**Question 5 (total - 9 marks)**

An examination report for a patent application filed under the Paris Convention has now issued and upon review, the Examiner has raised a number of objections. What do these objections, listed below, mean and how you propose to overcome them?

- i) unity of invention under Section 10(4); (3 marks)
- ii) fair basis under Section 10(4); (3 marks)
- iii) prior claiming (Section 14) (3 marks).

### Question 6 (total - 12 marks)

You have been approached by John for your advice. John is the managing director of RF Tags, a relatively new company which, since the start of the year, has been selling ear tags incorporating radio transmitters. John, being familiar with the ear tag industry, was aware that the ear tags themselves, together with a process for manufacturing the tags, were covered by the claims of a New Zealand patent in the name of Farming Supplies (FS). However, last year he checked the status of the patent on the IPONZ database and noted it had lapsed in May 2011 through failure to pay the required renewal fee. It was the lapsing of the patent that led John to set up RF Tags and start importing ear tags from overseas.

Business is going well but, for quality control reasons, RF Tags is looking to start manufacturing the tags itself rather than import them from China as it does presently. However, one of RF Tags' customers recently informed John that they have heard that FS has applied to restore its patent. John is understandably concerned that the potential restoration of the patent will jeopardise his business.

- a) Advise John on the available grounds for restoration of a lapsed patent and how the restoration of the patent may affect RF Tags' current operations and plans for the future. (6 marks)

A recent employee of FS has told John that the patent was very important to the company, and he is surprised it was allowed to lapse. The employee believes that the lapsing of the patent could be either due to:

- i) FS' limited finances;
  - ii) a cost saving measure by an overzealous accounts person at FS;
  - ii) poor record keeping.
- b) Advise for each of these scenarios whether FS may have a case for restoration and what it would need to do in order for a restoration to be successful. (6 marks)

### **Question 7 (total - 6 marks)**

Advise on the patentability of the following inventions with reference to case law:

- i) a novel topical composition for encouraging hair growth; (2 marks)
- ii) an artificial heart valve and method of its implantation; (2 marks)
- iii) a mix of 2-stroke oil and petrol (which have previously been sold separately and then mixed together). (2 marks)

### **Question 8 (total - 14 marks)**

You filed a patent application accompanied by a provisional specification on 15 August 2011 for Jim, one of your clients. It is now 27 June 2012, and you have just contacted Jim to remind him of the upcoming deadline for filing a complete specification.

Jim tells you that he is still trying to build a working prototype of the invention, an improved kontiki for long line fishing, in order to prove the concept will work. Jim has not made the invention public but he did contract an engineer in January this year to build the prototype.

The engineer skipped town in early May with Jim's down payment for the prototype. Jim wants to delay the filing of the complete specification until he finds a more reputable engineer to build the prototype.

- a) Advise Jim on his options for delaying the filing of the complete specification and the pros and cons of each, including your recommendation. (6 marks)

Jim tells you that he has had a bit of time to mull over the kontiki since the original engineer took off and identified a few areas that he intends to modify. He provides you with details of the proposed changes. While most of these can be considered relatively superficial, at least one is substantial and is likely to result in a significant improvement in the kontiki's performance. The substantial change is not disclosed in the provisional specification filed on 15 August 2011.

- b) Advise Jim on his options for protecting the modified kontiki. (4 marks)

Jim also tells you that his brother, a keen fisherman, mentioned to him that he had seen a kontiki on display at the Mystery Creek Fieldays a couple of weeks ago. His brother, knowing that Jim was working on something in relation to kontikis, picked up a brochure thinking he might be interested in it. From the photographs in the brochure, Jim identifies that the kontiki looks extremely similar to drawings he had made for the engineer who skipped town.

- c) Discuss the implications of this. (4 marks)

**Question 9 (total - 11 marks)**

Your client, Steel Hardware (SH), is a manufacturer of metal window and door fittings and has a number of patents in this field. SH is concerned about a patent which was granted to a competitor last month and wants to revoke it. SH believes the patent is invalid in light of a number of prior art documents it has assembled.

- a) Compare the grounds of revocation before the Court and belated opposition before the Commissioner of Patents. It is not necessary to go into a detailed discussion of relevant procedures. (5 marks)

SH provides you with its collection of prior art documents that it believes is relevant to the patent. On reviewing the documents, you find that they relate to various types of kitchen utensils. Checking the patent of concern, you note it relates to foldable knives and forks. When SH is queried on this, the response is that the company wants to utilise its experience and equipment in manufacturing window/door fittings and branch out into other industries in a year or two. The manufacture of cutlery has been identified as a relatively easy industry to gain traction in.



- b) Does this have a bearing on SH's plans to challenge the patent? (3 marks)

A couple of weeks after advising SH in relation to questions 9a) and 9b), it contacts you with further information regarding the patent of concern. The engineers at SH have been trying to replicate the invention described in the patent but have had considerable difficulty in doing so. The method of manufacturing the foldable knives and forks is not well described in the specification and the engineers have had to make a couple of educated guesses as to how part of the method is performed. Furthermore, the finished knives and forks generally cannot withstand repeated folding and fall apart relatively quickly.

- c) How does this information impact on your previous advice to SH? (3 marks)