

2011

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, the Trade Marks (International Treaties and Enforcement) Amendment Bill, the Regulatory Improvement Bill (as it relates to amendment of the Designs Act 1953), or any other bill that may be before the New Zealand Parliament.

Question 1 (6 marks)

A German patent agent enquires what protection he can obtain for his client in New Zealand based on a German utility model application which was filed on 20 January 2011. The specification of the German application includes a single perspective view of a mechanical kitchen gadget and a short paragraph explaining what is shown in the drawing. Advise, commenting on any deadlines for action and limitations of the possible approaches. **(6 marks)**

Question 2 (5 marks)

Granted New Zealand Patent No. 123456 covers a portable generator that transforms wind and solar power into electrical energy. The patentee informs you that during the state of national emergency in the aftermath of the Christchurch earthquakes, the Government contracted the patentee's main competitor to make generators. The competitor's generators fall within the scope of at least claim 1 of the patent. The patentee has been in touch with his competitor who has replied saying he was authorised to make the generators by the Government. However, the patentee notes that he has now seen the competitor marketing the same generators in Dunedin. Advise the patentee as to what if any action may be taken regarding the sale, manufacture and continued use of the competitor's generators in Christchurch and Dunedin. **(5 marks)**

Question 3 (8 marks)

Your client has been approached by market leaders Mega Corporation, Inc (MCI). MCI have notified your client that they are the applicant of New Zealand patent application no. 234567. From an initial review you see that the application covers a chemical paint stripper. The application was advertised as accepted in the Patent Office Journal on 25 April 2011.

Your client recently released their own chemical paint stripper on to the New Zealand market on 3 January 2011. The liquid formulation they are making and selling in New Zealand has proven to be far more effective than previous chemical strippers and there has been significant interest in the product. Your client was not previously aware of NZ 234567 nor of any corresponding product released by MCI. However, your client considers there to be substantial similarities between his own formulation and at least one described in NZ 234567. Your client is concerned that he may have to cease manufacture and sale of their product and that this may be the end of his startup company.

Advise your client what risks he has and what action he may take, commenting on advantages and drawbacks of each. **(8 marks)**

Question 4 (11 marks)

Drugs'R'Us (DRU) has a licence to make and sell a pharmaceutical in New Zealand from a US-based company that was granted NZ patent no. 345678 covering the pharmaceutical. DRU have become aware that a competitor has just started selling a pharmaceutical product that they consider infringes NZ 345678.

- a) What action may be taken, and by whom, to protect DRU's interests. What remedies are available. **(8 marks)**
- b) What consequences would there be if the competitor purchased the drugs they were selling from an authorised manufacturer in Australia. **(3 marks)**

Question 5 (11 marks)

As agents for the applicant of NZ patent application no. 567890, you perform a routine check of the file and discover from the IPONZ online register that a second examination report had issued. From further review, you note that the deadline under Section 19 of the Patents Act 1953 for placing the application in order for acceptance was 6 June 2011. The examination report rejects all of the claims under Section 13 based on NZ 444444 and under Section 14 based on NZ 555555.

- a) Outline whether it is possible to take action to remedy the situation and what would be required to do so including a discussion of the key steps in the process. **(6 marks)**
- b) Explain what action may be taken to respond to a Section 13 objection, including the documentation required. **(2 marks)**
- c) Explain the basis of a Section 14 objection and the action that may be taken to address the objection. **(3 marks)**

Question 6 (17 marks)

Your client, Staydri Limited (SDL), designs and manufactures umbrellas. SDL informs you that two employees and an external contractor have worked together to devise an improved mechanism for opening and closing an umbrella at the push of a button. All three contributed to the improved mechanism.

The first employee is the head of SDL's design team. The second employee works in quality control, ensuring that umbrellas at the end of the production line are not faulty. The contractor is no longer contracted to SDL and had been brought in to review the production line and advise on how efficiency, throughput and quality could be improved. The contractor had full access to SDL's technical information during the period of the contract. While all three worked on the improved mechanism in SDL's premises using SDL's equipment, the work was done outside of normal office hours.

The three contributors have asked SDL whether it wants to buy rights in the improved mechanism. They have asked for an indication of interest from SDL within the next two weeks or they will approach other manufacturers in the industry. SDL is keen to have exclusive rights to the improved mechanism because it considers it could generate a significant increase in sales revenue. However, SDL is upset about the prospect of having to pay the contributors twice "for doing their jobs" and is concerned that details of the improvement will be disclosed if there is any delay in reaching an agreement.

- a) Advise SDL on who owns the invention and what basis SDL may have for preventing the contributors from selling the rights in the improved mechanism to a third party. **(10 marks)**
- b) Advise SDL on the action that may be taken during the discussions to ensure that SDL is in a position to obtain valid exclusive rights to the invention in the event that they are ultimately granted ownership of the rights in the improved mechanism. **(4 marks)**
- c) Advise SDL of any issues regarding patentability that may arise from the approach by the contributors to SDL. **(3 marks)**

Question 7 (27 marks)

Inventor / applicant Andrew Flaherty approaches you regarding a patent application accompanied by a provisional specification he filed 11 months ago for an electric motor and associated controller. He tells you that, since filing the provisional, he has designed a new controller that improves performance in terms of efficiency and speed. Andrew is concerned because he saw an article about an entity named Motor, Inc last week in the New Zealand Herald's technology section. The article described a motor and associated controller that includes some features of Andrew's new controller.

- a) Advise Andrew on the next steps for obtaining protection for his new controller in New Zealand, including a discussion of the law and case law (where appropriate) governing whether the improvements may now be protected. Also comment on any additional action that may be taken to better preserve Andrew's position. **(22 marks)**
- b) What would your advice be regarding protecting the improvements if Andrew's original application had been accompanied by a complete specification and the application had been advertised as accepted on 27 May 2011 in the IPONZ Journal. **(5 marks)**

Question 8 (15 marks)

Your client recently attended a car show in Queenstown. She was interested in a car ignition system demonstrated by Starter Limited. The ignition system enables a car engine to be started using a remote control. The arrangement includes a wireless receiver that connects to the ignition system near to the steering wheel of a car. To address security concerns, Starter Limited have provided the remote control with a security feature that encrypts the signal sent to the wireless receiver to prevent others from starting the car engine.

Starter Limited have an agreement with Ford to incorporate the wireless receiver into their vehicles during manufacture. They also intend to sell the ignition system as a kit that can be retrofitted to existing vehicles.

You discover that Starter Limited is receiving the remote controls from an electronics company, Remotes Limited, in Hamilton and Starter Limited is then programming them to transmit signals in an encrypted form. You understand that the same remote controls were sold by Remotes Limited for use with televisions from January 1990. Further, you understand that the remotes are not being provided to Ford manufacturing plants. Instead they are provided to car buyers at the time of purchasing a vehicle.

Your client has granted New Zealand patent 456789 with single independent claim 1 to "A remote control for starting a vehicle engine, the remote control having means for encrypting a signal sent thereby." NZ 456789 has a priority date of 4 July 2006.

Your client sees the car market as having a lot of potential for her products and is keen to establish herself as a supplier for companies such as Ford.

- a) Advise your client whether an infringement action may be taken based on NZ 456789. Include discussion of the legal basis for taking action and against whom action may be taken. Also discuss any concerns you have as to whether your client would succeed in an action for patent infringement. Do not discuss remedies that may be available. **(10 marks)**
- b) Your client advises you that the demonstration vehicle used in the Queenstown car show was only able to be displayed due to a problem with the ship transporting the vehicle from the USA to Sydney. Due to mechanical problems, the ship was forced to dock in a port in New Zealand for 6 weeks and it was decided to make use of the vehicle in the Queenstown car show. Comment on any implications this has on patent infringement to date. **(3 marks)**
- c) Your client provides you with one of his wireless receivers that he intends to install in vehicles and you see that it is marked "Protected by NZ Pat No. 456789". Comment. **(2 marks)**