

**2011**

**PATENT ATTORNEYS**

**EXAMINATION**

**PAPER A2**

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 (30 marks)

Your client Sterling Bowman has an idea for a drink bottle sipper top which has a novel sealing system. This means that it is much less leak-prone than previous sipper tops.

Bowman meets with Kruger Plastics (a local plastics manufacturer), and shows them some drawings of the new sealing system, with a view to having a detailed design created which Kruger will then produce by injection moulding. Kruger Plastics proposes a design (which uses Bowman's sealing system ideas, but in a quite different form to the drawings he had prepared) which Bowman approves. Kruger Plastics subsequently render an invoice which includes "research and development services, preparation of detailed working drawings - \$1,000".

Bowman uses Kruger Plastics to manufacture the bottle tops for three years, but then decides to shift manufacture to Woodhouse Systems, another plastics manufacturer based in NZ. When told about the proposed change, a patent attorney acting for Kruger Plastics writes to Bowman asserting that:

"Our client Kruger Plastics owns all intellectual property rights in the bottle top, including New Zealand Patent No.ABC, Registered Design EFG, and copyright. Any manufacture of the bottle top not authorised by Kruger Plastics constitutes an infringement of those rights. Our client will not hesitate to enforce its intellectual property rights to the fullest extent possible".

The letter is copied to the general manager of Woodhouse Systems, and to Sterling Bowman's biggest client. Bowman tells you that the existence of the patent and design rights were a complete surprise to him.

You check the patent records and determine that New Zealand patent ABC was filed shortly after Bowman's first meeting with Kruger Plastics, and before the bottle top entered production, with Kruger Plastics named as the applicant, and naming its managing director Lana Kane as the inventor.

Bowman reviews the specification of patent ABC and confirms that he invented all the novel features of the sole embodiment described, and that he described those features in confidence to Lana Kane of Kruger Plastics during their initial meeting. You confirm that the bottle top currently on sale falls within all of the claims of the patent.

Design EFG was filed on the same day as patent ABC, and is also in the name of Kruger Plastics. The design representations are identical to the bottle top which Bowman is currently selling. Both the patent and the design are currently in force.

a) Advise Bowman as to who owns the various intellectual property rights in the drink bottle sipper top, and any other issues arising from the letter he has received.

**14 marks**

b) Would your advice change if the invoice made no mention of research and development, and Kruger Plastic's website advertised a free design service?

**3 marks**

- c) Would your advice change if, rather than Sterling Bowman formally approaching Kruger Plastics to prepare a detailed design, the situation was as follows:

Bowman met Lana Kane of Kruger Plastics at a networking event. He showed her a rough sketch of his bottle top sealing system on the back of a beer coaster. The sketch illustrates all the novel features of Bowman's sealing system, but looks quite different to the bottle top which eventually goes into production. Lana Kane later directed a Kruger Plastics draftsman to prepare a detailed design, which she then presented to Bowman in the hope that it would persuade him to use Kruger Plastics for the manufacture of the bottle tops.

**7 marks**

- d) Following the situation in part c) above, Bowman agreed to use Kruger Plastics. During face to face negotiations for the manufacturing contract between Bowman and Kruger Plastics, Lana Kane verbally agreed that as part of the deal, all intellectual property rights in the bottle top would be owned by Bowman. Although Lana Kane acknowledges that this conversation took place, the parties never bothered to record this aspect in writing.

Discuss who owns the copyright in the bottle top and the rights to Design EFG?

**6 marks**

## Question 2 (8 marks)

Your client has designed a new printed fabric with a regular repeating pattern which is quite eye catching.

- a) Assuming the design is novel, discuss whether a design registration could provide protection for the fabric, and any particular issues which need to be considered.

**4 marks**

- b) Your client files an application for a registered design application himself to cover a handkerchief made from the fabric. He shows you what he has filed, and you note that he has not filed a statement of novelty. Discuss the consequences of omitting a statement of novelty in this case.

**3 marks**

- c) Your client admits that he has taken one order for the handkerchiefs discussed in part (b), but he has sworn the buyer to secrecy, and has not yet supplied them. Discuss whether the taking of the order affects the registrability of the design, assuming there has been no other offer for sale or non-confidential disclosure of the design.

**1 mark**

### **Question 3 (10 marks)**

Your client wishes to produce a steel framing upright (wall stud) for the building industry. The upright has a simple “Z” shape cross-section. Your client says that “Z” shape fence posts have been on the New Zealand market for at least 20 years, although these are much smaller and the proportions of the “Z” profile are slightly different to those which the wall stud will use. The “Z” shape used by the fence post is optimised to increase bending resistance, although other Z shapes will also offer better bending resistance than a simple flat stake.

Your client tells you that a competitor wall stud manufacturer’s latest product catalogue lists “Z” shaped wall studs, and advertises that they are covered by a New Zealand design registration. You check the IPONZ database and confirm that the competitor’s design registration was filed and granted within the last 12 months. You also note an earlier design registration for a Z shaped fence post.

- a) Advise your client as to any infringement issues it might face, and the grounds on which the competitor’s design registration might be cancelled.

**5 marks**

- b) Advise your client on the steps and timelines involved in cancelling a design registration.

**5 marks**

#### **Question 4 (9 marks)**

Your client Stanley Smith makes extensive use of a computational fluid dynamics program to develop a new shape of hull for a racing yacht. He shows the hull design, in confidence, to Roger, a potential client. Smith says that he intends to sell the hull to clients, with the idea that they will add other components to it to their own specifications.

Roger is very impressed with the design and comments that the shape is very striking and attractive to look at, but Smith insists that no compromises were made for aesthetic reasons, and that every aspect of the shape contributes to the performance of the hull.

- a) Discuss with reasons whether the hull can be protected with a design registration.

**2 marks**

- b) Smith also wishes to sell cruising yachts which have the new hull shape combined with the signature cabin shape he has been using for a number of years. He is certain that this attractive design will be a great seller. Discuss whether the yachts can be protected by a design application.

**2 marks**

- c) Smith is also considering selling an alternative version of the cruising yacht. This is similar to the version from part (b), but has “wings” added to the bottom of the keel. Smith says that the wings on the keel actually detract slightly from the performance of the hull, but that people he has shown the design to (in confidence) prefer the winged keel shape because it makes the yacht look like an America’s Cup yacht from the 80s. Discuss how the addition of the wings affects the registrability of the design?

**2 marks**

- d) Assume Smith obtains a registration for the design of part (c), and that the design is valid.

Klaus is a German solo round-the-world yachtsman with a yacht which looks almost identical to Smith's registered design. Klaus is sponsored by Microsoft. His yacht is called "*Microsoft Word*" and is painted in distinctive Microsoft colours. Klaus calls into port in Wellington for 5 hours to stretch his legs and buy supplies. Discuss whether this constitutes an infringement of Smith's registered design rights.

**3 marks**

### Question 5 (7 marks)

Your client has developed the new and attractive teapot design shown below.



- a) Your client says that he is particularly pleased with the handle of the teapot, and says that he ideally wants to protect that shape of handle regardless of the shape of the teapot it is used with. Draft a statement of novelty for a design application, to be accompanied by the drawing above, giving the broadest possible protection for the shape of the handle. Indicate any modifications you might make to the drawing.

**3 marks**

- b) Discuss whether the registered design referred to in part a) will achieve the client's goal of protecting the handle shape regardless of the shape of the teapot it is used with.

**2 marks**

c) Can a single registered design be used to protect the handle shape when it is used in conjunction with a specific teapot shape, a specific shape of teacup and a specific shape of milk jug. If so, in what circumstances?

**1 mark**

d) Assuming the design referred to in part (c) is capable of registration. Would the sale of a teacup which looks substantially the same as the teacup in the design application be an infringement if it was available for sale by itself (that is, separate from any teapot and milk jug)

**1 mark**

### **Question 6 (12 marks)**

Your client has noticed NZ patent application No. 123456 in the IPONZ journal. The application was filed by a competitor of your client, and has recently been accepted. Your client wishes to prevent the application from proceeding to grant.

- a) Advise what action can be taken, any applicable time limits, and any advantages or disadvantages of the recommended action.

**3 marks**

- b) Your client is not currently operating in New Zealand in the field to which patent application 123456 relates, but says that he “is keeping an eye on the New Zealand market, and might well want to expand into New Zealand once the market matures”. He is also the owner of a PCT application in the same field (but for a different invention). The PCT application was filed 3 years before NZ patent application 123456, and designates all available countries, but did not enter the national phase in New Zealand. How does this affect the options available to your client?

**4 marks**

- c) NZ 123456 is a convention application, claiming priority from US application 11/1111. The specifications and claims of US11/1111 and NZ 123456 are identical.

NZ 123456 was filed one day before the 12 month convention deadline. Through means which are not clear to you (but which are completely legitimate), your client finds out that a provisional patent application corresponding exactly to NZ patent 123456 was filed in New Zealand 18 months before US 11/1111 was filed, but was subsequently allowed to lapse. Your client's New Zealand agent received a marketing pamphlet describing the invention one month before NZ 123456 was filed.

Discuss the grounds on which NZ123456 might be invalid, based on the information provided above.

**5 marks**

### **Question 7 (5 marks)**

Your client has filed a New Zealand patent application, and a series of equivalent patent applications overseas. The New Zealand application was examined and proceeded to grant without amendment. Eighteen months after the New Zealand patent was granted the equivalent US application was examined by the USPTO, which raised prior publication and inventive step objections on the basis of a US patent specification which was published a few years before your client's first application was filed. Your client agrees that the US specification is relevant and that the US application requires amendment. None of the patent applications in other jurisdictions have been examined.

Advise your client regarding their New Zealand patent in view of these developments.

**5 marks**

### Question 8 (13 marks)

Your client comes to your office with some tongs which are designed to be used for removing hard boiled eggs from a saucepan. The tongs have a thumb operated button which operates a hammer to crack the egg shell, and are marketed as the “Cracken”.

Your client saw the product at an inventor’s fair in the US. He has a brochure from the fair describing the product, but assures you that he has not shown it to anyone.

Your client wishes to manufacture the product in New Zealand and to sell locally and overseas. He has no wish to use the “Cracken” trade mark.

- a) Discuss, with reasons, whether your client can validly file a patent application in New Zealand. If so, who, if anyone, should be named as the inventor.

**4 marks**

- b) Your client also advises that he has found a US based kitchen supplies website which offers, among many other things, the “Cracken”. The website has a list of available goods which includes the “Cracken“ product, but has no pictures or other details of the device, and has a disclaimer advising that it does not supply outside the USA. Does this affect your advice?

**1 mark**

- c) How would your answer to part b) be different if the website had photographs of the product which show how it worked?

**1 mark**

d) Your client now asks you to perform a patent search, which finds that a New Zealand patent covering the invention was filed in New Zealand 7 years ago in the name of another US company, ABC. The patent was recently renewed, and is currently in force. Your client decides to buy the product directly from ABC, but when he writes to them he receives the following reply:

“Thank you for your enquiry. Unfortunately we have no spare manufacturing capacity, and no plans to expand into overseas markets in the foreseeable future.”

Discuss the options available to your client if it still wants to proceed with manufacturing the product, including any important limitations.

**7 marks**

### Question 9 (6 marks)

Your client, Mary West invents a new type of paperclip holder and wants you to file a patent application to cover it. She wishes to name her friend Susan Weaver as an inventor because “she identified the market for the product, and gave me lots of support”. Mary West acknowledges that her friend Susan made no contribution to the inventive features of the invention.

a. Can Susan Weaver be validly named as an inventor?

**1 mark**

b. In what circumstances can Susan Weaver be named as a co-applicant?

**1 mark**

c. A patent has now been granted in New Zealand in the name of both Mary West and Susan Weaver. Susan Weaver now advises Mary West that she intends to set up a factory to manufacture paperclip holders made in accordance with the patent. She says that her favoured strategy is to sell high volumes with a very low margin. Your client Mary West is shocked, as she anticipated licensing the patent to a well known paperclip holder producer who sees it as being a boutique, low volume, high margin product. Advise your client as to her rights, and the rights of Susan Weaver, assuming there is no agreement between them as to how they will deal with the patent rights.

**4 marks**