



## **NEW ZEALAND**

<b>NAME OF ASSOCIATION/SECTION:</b>	<b>EXCO/IT08/BUR/004-NZ (revised)</b>
<b>WEB PAGE OF ASSOCIATION/SECTION:</b>	<b>FICPI New Zealand</b>
<b>MEETING:</b>	<b>[web name]</b>
<b>DRAWN UP BY:</b>	<b>EXCO Meeting in Florence, Italy, 2008</b>
<b>PURPOSE:</b>	<b>Jim Piper/Julie Ballance</b>
<b>TABLED TO:</b>	<b>For information</b>
	<b>All Attendees</b>

## **COUNTRY REPORT**

[The information supplied in Section 1 will remain confidential on FICPI's website after the ExCo (will require a password).]

### **2. Changes in law**

#### **2.1 Legislation**

##### **Patent Attorney Privilege and the Evidence Act 2006:**

As previously reported the intent of the Evidence Act was to accord Legal privilege to communications between Patent Attorneys outside of New Zealand and their clients in relation to legal proceedings in New Zealand. A gap in the legal professional privilege provisions of the Evidence Act 2006 (in force from 1<sup>st</sup> August 2007) was recently plugged by an Order in Council which came into force on 7<sup>th</sup> August 2008.

The Evidence Act 2006 includes overseas practitioners amongst those who attract legal professional privilege in communications between legal advisers and their clients. However, an overseas practitioner is defined to include Australian lawyers and patent attorneys, and legal advisers in other jurisdictions if their country is specified in an order in council. The Order in Council was finally made on the 7<sup>th</sup> August 2008, and lists 87 civil and common law countries. Communications with legal advisers from the listed jurisdictions will attract legal professional privilege in New Zealand, provided that the communications are intended to be confidential and are made in the course of (or for the dominant purpose of) obtaining legal services.

##### **Patents Bill 2008**

The long awaited legislation to replace the New Zealand Patents Act 1953 has been introduced into Parliament. However with a general election later this year it is unlikely to come into force until 2009 at the earliest.



***Geographical Indications (Wine and Spirits) Registration Act 2006*** – Assented to on 21 November 2006 – Still not yet in force.

***New Zealand's accession to the Madrid Protocol is likely to take place in 2010.***

***Copyright (New Technologies and Performers' Rights) Amendment Act.*** The Act was assented to on **11 April 2008**. The provision extending the ban on parallel importation of films until 9-months after their international release to 31<sup>st</sup> October 2013 came into effect on 12 April 2008. The rest of the Act commences on date(s) to be appointed by Order(s) in Council. Upon commencement it will amend the Copyright Act 1994 to: use technology neutral terminology; clarify that there is no liability for an ISP that stores and caches infringing copyright material if it deletes or prevents access to infringing material as soon as possible after it becomes aware that the material is likely to infringe copyright; provide a format shifting exception for copying sound recordings for personal use or personal use within a household; give more comprehensive protection for Technological Protection Measures.

***Plant Variety Rights Bill has been put on hold.***

## **2.2 Major cases**

### **Patents**

*Arrow Pharmaceuticals (NZ) Ltd v Sanofi Aventis* (CIV 2007-404-4745, High Court, Auckland, 17 June 2008, Hansen J)

The High Court made a declaration of non-infringement in favour of Arrow regarding Arrow's supply to Pharmac of a stroke and heart attack preventative that has the active pharmaceutical ingredient of clopidogrel in Form 1. Sanofi Aventis, the patent holder for clopidogrel in Form 2, argued that the Court could not be satisfied that Arrow's proposed product would not contain clopidogrel in Form 2 until it was produced in commercial quantities and the pharmaceutical validation process was effected. However, the Court held that the question is not whether the product to be manufactured might infringe, but whether the product which corresponds with the description would infringe. The Court also found that there is nothing in section 75(1) to suggest that Arrow is required to provide it with full particulars of the product before an application for a declaration can be made (rather than after the issuance of proceedings).

*Sintes v WH Harris* (CIV 2006-409-1402, High Court, Christchurch, 27 February 2008, Fogarty J)

The Court did not uphold the claim by Sintes that a wood fuelled stove manufactured and distributed by WHH infringed his patent. The Court upheld WHH's counterclaim that the patent was invalid for obviousness. While



noting that the Court should be cautious in obviousness cases, the Court held that, although what Sintes did was not predictable, it did not require a degree of invention, but was the result of trial and error.

*Ministry of Health v Healthtrio Inc (CIV 2007-485-1272, High Court, Wellington, 30 January 2008, Clifford J)*

The High Court upheld the decision of the Assistant Commissioner of Patents allowing section 38 (post acceptance) amendments to the complete specification of Healthtrio's patent application for a computer system facilitating use and exchange of health data between originators and users. The amendments sought were held to be by way of correction and explanation.

The case is noteworthy for the interpretation of the phrase "effected in proceedings in opposition" in section 38(6), which amongst other things relieves amendments made during the opposition process from the requirement for public advertisement, thereby removing the potential for fresh opposition and a need for a hearing for the amendments. The appellants submitted that on the basis of the English case *The Emulsol Corporation's Application* 57 RPC 256, the ability to rely on s. 38(6) is limited to amendments made as a specific response to grounds of opposition. In this case the amendments were filed along with a substitute counterstatement, but not specifically in response to the grounds of opposition. The Court held that the adoption in its entirety of the equivalent section (29) under the UK Patents Act 1949 need not be taken as legislative approval of the apparent codification of the practice of the British Office. Parliament could have expressly included the practice of the British Office in s. 38(6) but it chose not to. The Court held that a literal interpretation of the phrase does not lend itself to the restrictive interpretation submitted by the appellants.

## Trade Marks

*Austin Nichols & Co v Sticking Lodestar [2007] NZSC 103*

An appeal to the Supreme Court, New Zealand's final court of appeal, following appeals from the Commissioner of Trade Marks, to the High Court, and to the Court of Appeal, over an opposition to the registration of the trade mark WILD GEESE by Austin Nichols & Co, owners of the WILD TURKEY trade mark.

The relatively narrow point and decision was well summarised by Elias CJ as follows:

"The short point raised by the appeal is whether the High Court on an appeal under s 27(6) of the Trade Marks Act 1953 must defer to the assessment of the Commissioner if the conclusion he or she has reached is one on which reasonable minds may differ. The short answer is that the general appeal



under s 27(6) requires the High Court to come to its own view on the merits. The weight it gives to the decision of the Commissioner is a matter of judgment. If the High Court is of a different view from the Commissioner and is, therefore, of opinion that the Commissioner's decision is wrong, it must act on its own view."

## Copyright

### *Tiny Intelligence Limited v Resport Limited [2008] NZCA 281*

An appeal to the Court of Appeal, against the decision of Hansen J of the High Court declining to award additional damages. Resport infringed (flagrantly) copyright of Tiny Intelligence in a toy sword and toy trumpet and marketed the infringing copies to supporters of the Crusaders rugby team. Hansen J found against Resport on liability and granted an injunction and later awarded Tiny Intelligence \$50,000, being his assessment of the profits which had accrued to Resport (an account of profits), but dismissed a claim for additional damages under s 121(2) of the Copyright Act. The Court of Appeal also declined to award additional damages, essentially upon the basis that "additional damages" are "additional to ordinary damages" and therefore require the plaintiff to seek damages, as opposed to an account of profits. The case highlights a technical difficulty in obtaining additional ('exemplary') damages, even in cases of flagrant infringement.

### *Media Works NZ Ltd & TVWorks Ltd v Sky Television Ltd [2007] NZHC 924*

This was an application for an interim injunction and turned on the issue of 'fair use' of footage of the Rugby World Cup tournament. TV3 (Media Works) paid a substantial sum for the rights to broadcast the event. Sky made use of TV3 footage of the event, primarily in small segments of no more than 1 minute duration (the issue of whether these were "substantial" was not contested), on a range of programmes including news broadcasts, sports reports, and sports entertainment or "magazine" programmes ("The Cup", "Reunion" and "The Crowd Goes Wild"). These programmes were repeated frequently throughout the day on Sky. TV3 did not object to use of the footage within the news broadcasts, but argued that use outside such programmes was not "fair use" or "fair dealing" and hence outside the ambit of that defence to infringement. The Court agreed, and held that whilst use of the footage in the context of news reporting was a fair dealing, the other uses were not. An injunction was awarded, which limited the use which could be made (including the programmes which could use the footage, and how frequently it could be broadcast within a 24 hour period).

## 2.3 Official practice

### **Swiss-Style Claims**

Assistant Commissioner's (AC) decision P1-2007 overruled part of a practice note relating to second medical use (Swiss-style) claims. In particular, the



AC's decision endorsed the decision by the EPO Technical Board of Appeal in *Genentech* (T 1020/03). It held that a different dosage regime may confer novelty for Swiss-style claims. The Intellectual Property Office of New Zealand is applying this decision. However, the claimed use must provide some benefit or overcome some problem in order for claim where the novelty resides in a dosage regime to be allowable.

Assistant Commissioner's decisions P23-2007 and P24-2007 held that there can be novelty in a second medical use (Swiss-style) claim even if prior publication of the same use relates to a different stage of disease. Hence, the fact that a pharmaceutically active ingredient is known in the treatment of cancer does not mean that it is known to treat all cancers or all stages of any particular cancer. For example, there may well be invention in finding that an anti-cancer drug known for treating one stage of breast cancer is also effective for treating a different stage of what might appear to some to be the same cancer.

The Assistant Commissioner also held in P23-2007 that there may be invention in the use of the same drug for treating a different subject population for a different form, type or state of what might be assumed by some to be the same disease. In P23-2007 the inventive use was restricted to the subject group of post-menopausal woman with early breast cancer.

New Official Guidelines have been drafted and are presently awaiting sign-off.

### 3. Proposals for changes

**Patents Bill** introduced to the House on 9/07/2008. If it comes into force in its current form: (i) the current local novelty standard will be replaced with an absolute novelty standard; (ii) applicants will no longer be given the benefit of the doubt during examination and will have to satisfy patentability on the balance of probabilities; (iii) it will make explicit that patentability is excluded for human beings and biological processes for their generation, therapeutic and surgical methods of medical treatment of human beings, methods of diagnosis practised on human beings, plant varieties and inventions whose commercial exploitation would be contrary to morality or public order (which has the same definition as the term *ordre public* used in Article 27.2 of TRIPS); (iv) a Māori advisory committee will be established to provide advice to the Commissioner on inventions involving indigenous plants and animals; (v) a specific experimental use exception will be introduced; (vi) patent applications will be automatically published 18-months from their earliest priority date; (vii) disclosure requirements for inventions relating to micro-organisms will be met by depositing a specimen of the micro-organism in a recognised depository; (viii) examiners' reports will be open to public inspection once the application has been accepted; (ix) the grace period for disclosure without the applicant's consent will be 12-months prior to filing; (x) the foreign filing license requirement will cease to apply; (xi) the current pre-grant opposition procedure will be replaced by the ability to request re-



examination any time after publication on the grounds that the invention is not new or does not involve an inventive step; (xii) revocation before the commissioner will be available anytime after grant instead of the current 12-month time limit.

**Trade Marks** - New Zealand signed the Singapore Treaty on the Law of Trade Marks in September 2006. However, no legislation has yet been introduced to Parliament to ratify the treaty.

**Plant Variety Rights Bill** – a bill is in draft, it is not clear when the Bill will be released for public consultation. The Bill is apparently on hold while the Wai 262 claim set out below is under consideration.

**Copyright (Artists' Resale Right) Amendment Bill** – Seeks to amend the Copyright Act 1994 by establishing a mandatory resale right for artists when their artistic works are resold in New Zealand. The resale right will apply to artists who are residents or citizens of New Zealand, or who are nationals of reciprocating countries that offer a similar right to nationals of New Zealand. Artists will receive a resale royalty payment each time an original artistic work is resold on the secondary market. The right will be inalienable and cannot be waived, assigned, or charged, and continues for 50-years after the artists death. The resale royalty will be an additional percentage of the resale price and will apply only to sales above a yet to be specified minimum value.

#### 4. Other information of general interest

New Zealand intends to accede to the Madrid Protocol, and this will probably take place in 2010.

While New Zealand has adhered to the Nice Agreement on Classification, it intends to formally accede, and this will probably take place mid 2009.

**The Wai 262 claim** by the indigenous people of New Zealand relating to bio prospecting and cultural rights is close to completion after 16 years. The claim was lodged in 1991. Initial hearings took from 1998 to 2001, and the final evidence was heard in January 2007. Closing submissions took place on 5-15 June 2007. A report from the Waitangi Tribunal is not expected until **2009**.

**End of report**