

Recent Developments in New Zealand



CLIVE ELLIOTT QC
2015

Legislative Agenda



- **Implementation of Trans Pacific Partnership Agreement (TPP)**
- **Tidy up Patents Act**
- **Copyright and Designs Act**
- **Review of creative sector (music, film and literature)**

Patent Examination



- **Initial spike**
- **Patents Act eligibility criteria**
- **Search tools – higher standards**
- **Improve and extend patent examination manual**
- **Maori Patent Advisory Committee**

TM Examination



- **Fine tuning implementation - Madrid protocol**
- **ASEAN countries - 100% online business model**

Hearings Office



- Law Society liaison
- Protocols/practice
- Common practice - all areas
- Capacity
- Streamline and refine practices
- Case-management and early intervention
- New Hearings Officer

GI's



- **Geographical Indications Act 2006**
- **Wine industry**
- **Amending bill 2015**
- **Act and regulations early 2016**

Pink Batts v Earthwool





Earthwool



EARTHWOOL
the feel good insulation

Glasswool



- Reasonable assumption - hypothetical reasonable person
- Historical associations - sheep's wool with NZ & its economy
- Most people – construe reference to wool, even in an insulation context, as a reference to sheep's wool?
- Hard wired in NZ's DNA
- Reasonable and not fanciful assumption
- Must use - EARTHWOOL® glasswool

Knauf Ad



WHY BROWN MAKES PINK SEE RED

Over the past few weeks, a competitor has been trying to discredit EarthWool® claiming that our insulation is ‘bendy, slumpy, bulgy and bursty’.

Enough is enough.

Titanic Test Instructions



- Place white cardboard liner on table – it allows the water colour change to be observed
- Fill test containers with water
- Float one sample of each product on its side in the container
- Wait for 1-2mins. Do not leave product in for more than 5mins
- Allow observers to observe (No need to comment)
- Remove samples. Place in zip lock bag. Do not leave anything on site or allow photos etc.
- Dispose of samples in public rubbish bins off site



- Revocation s 66(1)(c)
- Acts or inactivity
- Common name in general public use to describe insulating materials (typically rectangular in shape)
- Does it function as TM?
- Presumption against retrospectivity not rebutted
- State of affairs before 2003 irrelevant

Brown J



- Whether a common name in general public use - question of degree
- “common” suggests established or widespread
- Some descriptive use okay
- Household name - some use by way of synecdoche does not mean mark truly generic
- Consumers may use it on occasion in purely generic sense



- [135] “My perception of the evidence is that there is a degree of loose terminology, especially in stores where PINK® BATT® product is sold, as well as a degree of usage by way of synecdoche. .. Nevertheless there is also a not insignificant amount of what appears to be generic use. However, collectively this evidence is not of a quantity or a quality to cause me to be satisfied that the trade mark has become a common name in general public use for pieces of fibrous insulation. “

TM Infringement



“Batt%20MastaBag.jpg”

- **Description of image file**
- **On page of code**
- **Invisible**
- **No evidence of actual access**



[223] “I do not consider that that phrase would be viewed by the relevant public as descriptive use. It does not appear to convey common place information. In my view, on seeing this page the public would be inclined to the view that the use of the word “Batt” in this manner would be use as a trade mark.”

Invisible Use/Metadata



[236] ...”I consider that it is proper to construe invisible use of a registered trade mark by the use of a metatag, as occurred in the circumstances of the present case (where the mark can be accessed and viewed by an informed internet user), as use as a trade mark”.

Evidence in Reply



- Appeals on the papers
- No Further evidence

- *Scotch Whisky*
- *Merial*
- *Johnson Electric*
- *Vital Food Processors*

Scotch Whiskey



- Evidence inadmissible

[46] “...The dominant purpose for its being adduced at this point was to support the original notice of opposition, as opposed to responding directly to evidence from The Mill. It would be unreasonable to allow this evidence to be adduced on a “last word” basis by the Association (as opponent), without the applicant being able to answer it.”

Virbac



[26]” ...permitting such a course creates the opportunity for opponents in trade mark matters to “game” the system, by keeping their forensic powder dry until after an applicant has fired its best (and only) evidential shot. It would, in my view, be fundamentally unfair...”.

Expert Evidence



- *AFT Pharmaceuticals*
- TM opposition
- Opinion evidence inadmissible
- Failed to agree to adhere to Expert Code of Conduct
- HC Rules
- Evidence Act

Copyright



Karum v F&P Finance (FPF)



- **Misrepresentation, FTA, © and confidence**
- **Licence terminated - common ownership**
- **Litigation**
- **Settlement agreement**
- **Use software - transition process**
- **Licensing fees & warranty - software system not duplicated**

Protean Quality



[122] “It is fair to say... that the claim has exhibited a protean quality as Karum sought to find some defensible way of securing protection for non-literal elements of the CMS system.”

- Logic
- Business rules
- Design elements
- CA = structural elements

Karum's Case



- **Lending liaised closely with employees - access to CMS source code**
- **Ask technical questions which were answered by reference to code**
- **Parallel testing procedure**
- **Careful dissection and disassembly of design of CMS components**

Payment Summary Calendar



Definition	CMS 24-Month	Lending	US Credit Bureau	Fcredit
	Payment Calendar	Payment Calendar	Metro2 Data Exchange	Calendar
(Zero) No Payment	0	0	none	none
(Less) Payment received is Less than 1/2 of a scheduled payment	L	L	none	none
(Partial) Payment received is less than one scheduled payment	P	P	none	none
(Full) One full scheduled payment received	F	F	none	none
(More) Payment received is greater than one scheduled payment but less than the past due amount	M	M	none	none
(Delinquent) Payment received is greater than or equal to the past due amount but less than the total due amount	D	D	none	none
(Total) Payment received is equal to or greater than the total due amount	T	T	none	none

Expert Evidence



- Textually represented delinquency calendar to display payment history “unique and very powerful”

F&P's Case



- **Studied functionality**
- **CMS source code examined - not copied**
- **Checked to examine tolerances**
- **Questions not answered by reference to code**

HC



- Meanings represent logical outcomes = mere functionality
- Code values - no significant skill and judgement
- Used previously

Access to Code



- UK cases – *Navitaire*, *Nova*, and *SAS Institute* distinguishable
- Functionality replicated w/o access to source code

Look and Feel



- Source code not copied and programming languages work differently
- Functionality - no material difference with Navitaire airline reservation system
- EasyJet used Navitaire's software - offered users identical functionality
- Code and system architecture were dissimilar
- “look and feel” same

Function



- Pumfrey J - copyright protected embodiment of functionality in software, not functionality itself
- User interface – mere functional effects which were not protected
- No copyright in commands singly and collectively – lack necessary literary quality
- Links between screens and commands – don't exist separately

Idea v Expression



- *SAS Software* – software for statistical analysis.
- Lewison J – functionality/combination of functionalities falls on ideas side of idea/expression
- If expression dictated by technical function – not original even if skill and judgement used
- Devising ideas and procedures v form of expression

Policy



[165] “If accepted, this evidence would have allowed Karum to capture as its intellectual property functionality which simply implemented the business rules courts for the most part have resisted the attempts of legacy system owners to leverage intellectual property rights so as to inhibit competition from second comers.”

G Star



- © in Elwood Jean
- Original works lost
- Simple sketches relied on
- CA - Copyright works sufficiently pleaded and particularised

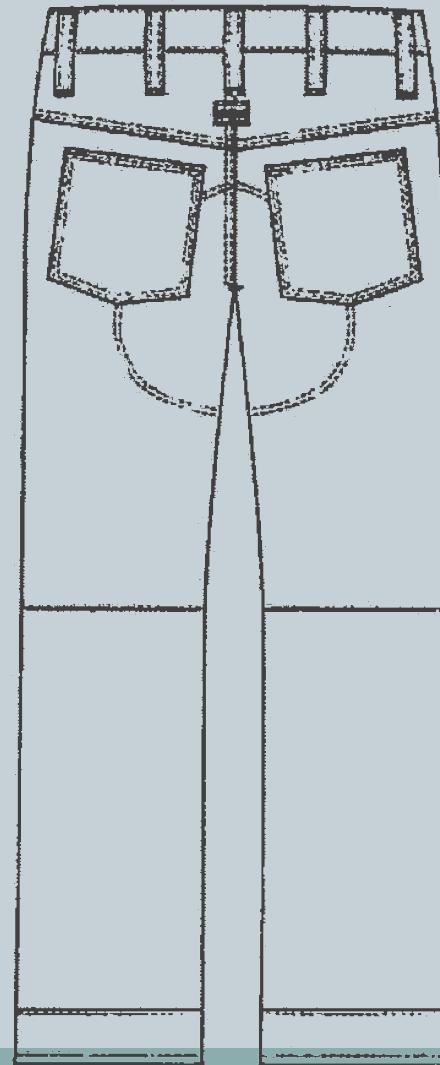
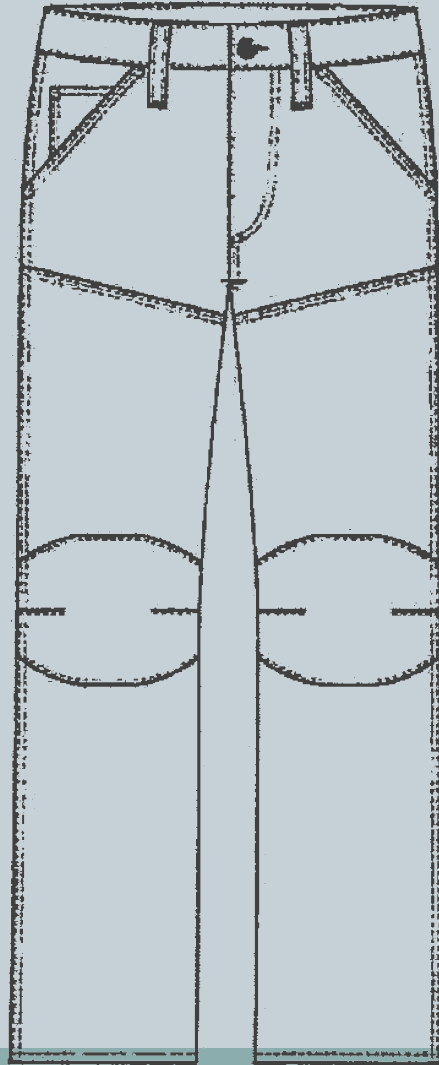
Collocation of Features



© Work includes:

- oval shaped knee pads
- horizontal stitching across back of knee
- double stitching – diagonally across front
- saddle pad
- Heel guard

© Work



HC - Agency



- *“Those persons who made the decisions in Australia had authority to act on behalf of Jeanswest NZ and knowledge, or at the very least reason to believe, that the Dean Biker jeans were an infringing copy of G-Star’s copyright works. That knowledge must be imputed to their principal (for importing and sale purposes in New Zealand), Jeanswest NZ.”*
- Branch office = principal/head office is agent

CA- Imputation



- “Jeanswest Australia, and thus by imputation Jeanswest NZ, knew the Dean Biker was a copy of G-Star's Elwood design. It had copied it.”
- “As a substantial New Zealand retailer, Jeanswest NZ ought reasonably, in the circumstances, to have informed itself about the copyright position in New Zealand before importing the Dean Biker jeans into New Zealand and selling them here.”

Additional Damages



- **“Blatant copying” by “Jeanswest”**
- **Believed not a copy**
- **lawful in Au**
- **No evidence of benefit to JW – 63 jeans**
- **Insufficient legal checks**
- **Ignorance of law no defence**
- **Merger – corporate and jurisdictional persona**
- **Actual and constructive knowledge**



Thank you!