

An Act to amend the Patents Acts 1953

1994, No. 122

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ANALYSIS

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BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—

(1) This Act may be cited as the Patents Amendment Act 1994, and shall be read together with and deemed part of the Patents Act 1953 (hereinafter referred to as the principal Act).

(2) This Act shall come into force on a date to be appointed by the Governor-General by Order in Council; and one or more orders may be made bringing different provisions into force on different dates.

2. Interpretation—

Section 2 (1) of the principal Act is hereby amended by inserting, after the definition of the term “Government Department”, the following definition:

“ ‘Integrated circuit’ means a circuit, in its final or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in or on a piece of material and that is intended to perform an electronic function:”.

3. Refusal of application in certain cases—

The principal Act is hereby amended by repealing section 17, and substituting the following section:

“17.

(1) If it appears to the Commissioner in the case of any application for a patent that the use of the invention in respect of which the application is made would be contrary to morality the Commissioner may refuse the application.

“(2) An appeal to the Court shall lie from any decision of the Commissioner under this section.”

4. Date and term of patent—

(1) Section 30 of the principal Act is hereby amended by repealing subsection (3), and substituting the following subsection:

“(3) The term of every patent shall be 20 years from the date of the patent.”

(2) Section 30 (5) of the principal Act is hereby amended by omitting the expression “3 months”, and substituting the expression “6 months”.

5. Sections repealed—

The principal Act is hereby amended by repealing sections 31 to 33.

6. Revocation of patent by Court—

Section 41 (1) of the principal Act is hereby amended by repealing paragraph (k).

7. Compulsory licence—

The principal Act is hereby amended by repealing section 46, and substituting the following section:

“46.

(1) At any time after the expiration of 3 years from the date of the sealing of a patent or 4 years from the date of the patent, whichever is the later, any person interested may apply to the Court for the grant of a licence under the patent upon any of the grounds specified in subsection (2) of this section.

“(2) The grounds upon which a licence may be granted under this section are that a market for the patented invention is not being supplied, or is not being supplied on reasonable terms, in New Zealand.

“(3) Subject to subsections (4), (5), (6), and (7) of this section, if the Court is satisfied that either of the grounds referred to in subsection (2) of this section are established, the Court may make an order for the grant of a licence in accordance with the application upon such terms as the Court thinks fit.

“(4) A licence granted under this section—

“(a) Is not exclusive:

“(b) Must not be assigned otherwise than in connection with the goodwill of the business in which the patented invention is used:

“(c) Is limited to the supply of the patented invention predominantly in New Zealand.

“(5) Any licence granted under this section may, on the application of any interested party, be terminated by the Court where the Court is satisfied that the grounds on which the licence was granted have ceased to exist.

“(6) Where a licence is granted under this section to any person, that person shall pay such remuneration to the patentee as may be agreed, or as may be determined by a method agreed, between that person and the patentee or, in default of agreement, as is determined by the Court on the application of that person or the patentee.

“(7) No licence shall be granted under this section unless the person applying for the licence, having taken all reasonable steps to do so, has been unable to obtain a licence, or to obtain a licence on reasonable terms, from the patentee.

“(8) No licence shall be granted under this section in respect of a patent relating to an integrated circuit.”

8. Section 47 (relating to licenses under section 46) repealed—

The principal Act is hereby amended by repealing section 47.

9. Exercise of powers on applications under section 46—

The principal Act is hereby amended by repealing section 48, and substituting the following section:

“48. The powers of the Court on an application under section 46 of this Act shall be exercised with a view to securing that the inventor or other person beneficially entitled to a patent shall receive reasonable remuneration having regard to the nature of the invention.”

10. Sections repealed—

- (1) The principal Act is hereby amended by repealing sections 49 and 50.
- (2) The principal Act is hereby further amended by repealing sections 52 and 53 (each as amended by section 8 (2) of the Patents Amendment Act 1992).
- (3) Section 8 (2) of the Patents Amendment Act 1992 is hereby consequentially repealed.

11. Supplementary provisions—

- (1) Section 54 of the principal Act is hereby amended by repealing subsection (2).
- (2) Section 54 (3) of the principal Act is hereby amended by omitting the expression “sections 46 to 50”, and substituting the expression “section 46”.

12. Use of patented inventions for services of the Crown—

The Principal Act is hereby amended by repealing section 55, and substituting the following section:

“55.

(1) Subject to sections 58A to 58C of this Act, but notwithstanding any other provision of this Act, any Government Department, and any person authorised in writing by a Government Department, may make, use, exercise, and vend any patented invention for the services of the Crown and anything done by virtue of this subsection shall not amount to an infringement of the patent concerned.

“(2) For the purposes of this section and section 56 of this Act,—

“(a) Any use of an invention for the supply to the Government of any country outside New Zealand, in pursuance of any agreement or arrangement between the Government of New Zealand and the Government of that country, of articles required for the defence of that country shall be deemed to be a use of the invention for the services of the Crown:

“(b) The power of a Government Department or a person authorised by a Government Department under this section to make, use, exercise, and vend a patented invention shall include power to sell to any person any articles made in the exercise of the powers conferred by this section that are no longer required for the purpose for which they were made:

“(c) The power of a Government Department or a person authorised by a Government Department under this section to vend a patented invention shall not, in the case of a patent relating to an integrated circuit, extend to sale of the invention to the public.

“(3) Where the Governor-General, by Order in Council, declares that the use of any patented invention by any person or by any class of persons engaged in a particular industry is necessary or desirable to enable full benefit to be derived by the members of the public in New Zealand of any enterprise or undertaking in which the Crown or any Government Department has a complete or almost complete monopoly, any such use of the invention or inventions shall for the purposes of this section and sections 56 and 57 of this Act be deemed to be a use for the services of the Crown.

“(4) The purchaser of any articles sold in the exercise of powers conferred by this section, and any person claiming through the purchaser, shall have power to deal with them in the same manner as if tile patent were held on behalf of the Crown.”

13. Rights of third parties in respect of Crown use—

- (1) Section 56 (1) of the principal Act is hereby amended by inserting, before the words be of no effect”, the words “, subject to sections 58A and 58C of this Act,”.
- (2) Section 56 of the principal Act is hereby further amended by repealing subsections (2), (3), and (4).

14. Reference of disputes as to Crown use—

The principal Act is hereby amended by repealing section 57, and substituting the following section: “57.

(1) Any dispute as to the exercise by a Government Department or a person authorised by a Government Department of the powers conferred by section 55 of this Act, or as to the terms for the use of an invention for the services of the Crown thereunder may be referred to the Court by either party to the dispute in such manner as may be prescribed by rules of the Court.

“(2) In any proceedings under this section to which a Government Department is a party, the Department may,—

“(a) If the patentee is a party to the proceedings, apply for revocation of the patent upon any ground upon which a patent may be revoked under section 41 of this Act;

“(b) In any case, put in issue the validity of the patent without applying for its revocation.

“(3) In determining any dispute referred to the Court under this section, the Court shall have regard to—

“(a) Any benefit or compensation that the patentee of the patented invention may have received, or may be entitled to receive, directly or indirectly from any Government Department or person authorised by a Government Department in respect of the invention in question:

“(b) The need to ensure that tile patentee shall receive reasonable remuneration having regard to the nature of the patented invention.

“(4) In any proceedings under this section, the Court may at any time order the whole proceedings or any question or issue of fact arising therein to be referred to a special or official referee or an arbitrator on such terms as the Court may direct; and references to the Court in the foregoing provisions of this section shall be construed accordingly.”

15. New sections substituted—

The principal Act is hereby amended by repealing section 58, and substituting the following sections: “58.

Special provisions as to Crown use during emergency—Subject to sections 58A to 58C of this Act, the powers exercisable in relation to an invention by a Government Department or a person authorised by a Government Department under section 55 of this Act, shall include power to make, use, exercise, and vend the patented invention for any purpose which appears to the Department necessary or expedient—

“(a) To avoid prejudice to the security or defence of New Zealand; or

“(b) To assist in the exercise of powers and the implementation of civil defence measures during a state of national emergency under section 46 of the Civil Defence Act 1983 or a state of national civil defence emergency under section 50 of that Act.

“58A.

Nature and scope of rights under section 55—

(1) The right to use a patented invention under section 55 of this Act—

“(a) Is not exclusive:

“(b) Must not be assigned otherwise than in connection with the goodwill of the business in which the patented invention is used:

“(c) Is, notwithstanding subsection (2) (a) of that section, limited to the supply of the patented invention predominantly in New Zealand by a Government Department or a person authorised by a Government Department under that section.

“(2) The right to use a patented invention under section 55 of this Act may, on the application of any interested party, be terminated by the Court, where the Court is satisfied that the circumstances that gave rise to the right to use the patented invention have ceased to exist and are unlikely to recur.

“(3) Except in a case to which section 58 of this Act applies, the right to use a patented invention under section 55 of this Act is subject to the Government Department or person authorised by a Government Department under section 55 of this Act having first taken all reasonable steps to obtain the consent of the patentee to the use of the patented invention on reasonable terms and conditions, and having failed to obtain such consent within a reasonable period of time.

“58B.

Duty to inform owner—

(1) Where any use of a patented invention is made by or with the authority of a Government Department under section 55 of this Act, the Department shall, as soon as practicable after the use of the patented invention has begun, notify and furnish the patentee with such information as to the extent of the use as the patentee may from time to time require.

“(2) Nothing in subsection (1) of this section requires the Government Department to notify or disclose information to the patentee if to do so would, or might reasonably be expected to, prejudice the security or defence of New Zealand.

“58C.

Patentee entitled to remuneration—

Where an act is done under section 55 of this Act, the Crown shall pay such remuneration to the patentee as may be agreed, or as may be determined by a method agreed, between the Crown and the patentee or as may, in default of agreement, be determined by the Court under section 57 of this Act.”

16. Burden of proof for infringement of process patent—

The principal Act is hereby amended by inserting, after section 68, the following section:

“68A.

(1) If the invention for which a patent is granted is a process for obtaining a new product, the same product produced by a person other than the patentee or a licensee of the patentee shall, unless the contrary is proved, be taken in any proceedings for infringement of the patent to have been obtained by that process.

“(2) In applying subsection (1) of this section, the Court shall not require any person to disclose any manufacturing or commercial secrets if it appears to the Court that it would be unreasonable to do so.

Cf. Patents Act 1977 (U.K.), s. 100”

17. Transitional provisions—

(1) Nothing in this Act applies to or affects—

(a) Any proceedings for revocation of a patent commenced before the commencement of this Act:

- (b) Any proceedings for infringement of a patent commenced before the commencement of this Act:
- (c) Any existing licences or applications for licences of right under section 46 of the principal Act in existence or made before the commencement of this Act:
- (d) Any application for tile extension of tile term of a patent made before the commencement of this Act:
- (e) Any reference to the Court under section 57 of the principal Act made before the commencement of this Act:
- (f) Subject to subsection (2) of this section, any application for a patent in respect of which a complete specification has been filed before the commencement of this Act,—

and any such proceedings, licences, applications, or references to the Court shall continue as if this Act had not been enacted.

(2) Where, in respect of an application for a patent, a complete specification has not been advertised under section 20 (2) of the principal Act before the commencement of this Act, the application must be determined in accordance with the principal Act (as amended by this Act) if the applicant gives notice to the Commissioner in accordance with subsection (3) of this section, requesting that the application be determined in accordance with the principal Act (as so amended).

- (3) Any notice under subsection (2) of this section—
 - (a) Must be in the prescribed form:
 - (b) Must be accompanied by the prescribed fee:
 - (c) Must be given on or before the date falling 6 months after the commencement of this Act, or on or before the date of grant of the patent, whichever occurs first.

18. Term of existing patents—

(1) Subject to subsections (2) and (3) of this section, the term of every patent that has not expired before the commencement of this Act shall, notwithstanding anything contained in the principal Act, be deemed to be 20 years from the date of the patent.

(2) Nothing in subsection (1) of this section applies to a patent the term of which has, before the commencement of this Act, been extended by the Court or the Commissioner for a period exceeding 20 years from the date of the patent.

(3) Nothing in subsection (1) of this section applies to a patent the term of which is extended by the Court or the Commissioner for a period exceeding 20 years from the date of the patent pursuant to an application for the extension of the term of the patent made before the commencement of this Act.

19. Repeal of section 24 (4) of Health Reforms (Transitional Provisions) Act 1993—

Section 24 (4) of the Health Reforms (Transitional Provisions) Act 1993 is hereby repealed.

This Act is administered in the Ministry of Commerce.