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INDUSTRIAL PROPERTY LAWS AND TREATIES (INSERT)

Editor's Note

AUSTRALIA

Trade Marks Act 1955 (Reprinted as at 31 December 1986 and further amended by the Jurisdiction of Courts (Miscellaneous Amendments) Act 1987 (No. 23 of 1987)) Text 3-001

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Notifications Concerning Treaties

Paris Convention

Accession

MALAYSIA

The Government of Malaysia deposited, on June 23, 1988, its instrument of accession to the Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised at Stockholm on July 14, 1967.

Malaysia has not heretofore been a member of the International Union for the Protection of Industrial Property ("Paris Union"), founded by the Paris Convention.

The Paris Convention, as revised at Stockholm on July 14, 1967, and amended on October 2, 1979, will enter into force, with respect to Malaysia, on the date indicated by the Government of Malaysia, that is, on January 1, 1989. On that date, Malaysia will become a member of the Paris Union.

Malaysia will belong to class VII for the purpose of establishing its contribution towards the budget of the Paris Union.

Paris Notification No. 120, of June 24, 1988.

Budapest Treaty

Extension of the List of Kinds of Microorganisms Accepted for Deposit

NATIONAL COLLECTIONS OF INDUSTRIAL AND MARINE BACTERIA LTD. (NCIMB)
(United Kingdom)

The Director General of WIPO was informed by a notification received on June 19, 1988, from the Government of the United Kingdom that the list of kinds of microorganisms accepted for deposit by the National Collections of Industrial and Marine Bacteria

Ltd. (NCIMB), an international depositary authority under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, has been extended to include the following:

- (a) Yeasts (including those containing plasmids) that can be preserved without significant change to their properties by liquid nitrogen freezing or by freeze-drying, that are allocated to a hazard group no higher than Group 2 as defined by the UK Advisory Committee on Dangerous Pathogens (ACDP), and which require physical containment no higher than level II as defined by the UK Advisory Committee on Genetic Manipulation (ACGM).
- (b) Seeds that can be dried to a low moisture content and/or stored at low temperatures without excessive impairment of germination potential. The right is reserved to refuse the deposit of seeds where dormancy is exceptionally difficult to break.

Where statutory provisions require NCIMB to obtain a license or certificate prior to accepting a deposit of seeds, the actual cost of obtaining any such license or certificate will be charged to the depositor.

The acceptance of seeds by NCIMB and the furnishing of samples thereof are subject at all times to the provisions of the Plant Health (Great Britain) Order 1987, including any future amendments or revisions of that Order.

NCIMB must be notified in advance of all intended deposits of seeds so that it may ensure that all relevant regulations are complied with. Any seeds received without prior notification may be destroyed immediately.

[End of text of the notification of the Government of the United Kingdom]

The extension of the list of kinds of microorganisms accepted for deposit by the National Collections of Industrial and Marine Bacteria Ltd. (NCIMB) will take effect as from the date of publication in the present issue of *Industrial Property* (August 31, 1988) (see Rule 3.3 of the Regulations under the Budapest Treaty).

Budapest Communication No. 44 (this Communication is the subject of Budapest Notification No. 71, of July 4, 1988).

WIPO Meetings

Madrid Union

Assembly

Nineteenth Session (12th Extraordinary)

Committee of Directors

Seventeenth Session (10th Extraordinary)

(Geneva, April 18 to 22, 1988)

NOTE*

The Assembly and the Committee of Directors of the Madrid Union for the International Registration of Marks (hereinafter referred to as "the Assembly and Committee of Directors") met in extraordinary session in Geneva, from April 18 to 22, 1988.

The following States were represented at the session: Algeria, Austria, Belgium, Bulgaria, Czechoslovakia, Democratic People's Republic of Korea, Egypt, France, German Democratic Republic, Germany (Federal Republic of), Hungary, Italy, Mongolia, Morocco, Netherlands, Portugal, Romania, Soviet Union, Spain, Sudan, Switzerland, Viet Nam, Yugoslavia (23). Denmark participated in an observer capacity.

The representatives of one intergovernmental organization and eight non-governmental organizations also took part in the session in an observer capacity. The list of participants follows this Note.

Discussions were based on document MM/A/XIX/2-MM/CDIR/XVII/2, containing draft Regulations under the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as "the draft") and on a proposal submitted by the Delegation of Switzerland (document MM/A/XIX/3-MM/CDIR/XVII/3), for the insertion of a new rule in those Regulations.

A brief general debate was followed by a rule-by-rule examination of the draft, which was adopted by the Assembly and Committee of Directors subject to some amendments. The Regulations adopted differ from the Regulations now in force in the following main respects:

- a new rule (Rule 1) defines the abbreviated expressions used in the Regulations, as in the majority of Regulations under treaties administered by WIPO;
- a new rule deals with representation before the International Bureau (Rule 2);
- a new rule deals with cases in which there are two or more owners (Rule 3);
- publication of the mark in color is henceforth provided for in the Regulations (Rule 9(2)(ii));
- the rule on the form and contents of notifications of invalidation has been completed (Rule 18);
- a new rule has been inserted on the recording of certain judicial or administrative decisions (Rule 19);
- the amount of the complementary fee for territorial extension to one country has been increased from 68 to 88 Swiss francs (Rule 32(1)(a)(iii)).

The Regulations were adopted on April 23, 1988, and will enter into force on January 1, 1989, on which date they will replace the Regulations Under the Madrid Agreement Concerning the International Registration of Marks of June 21, 1974, as amended on September 29, 1975, November 24, 1981, and December 15, 1983.

LIST OF PARTICIPANTS**

I. Member States

Algeria: O. Bouhnik; F. Mekidèche. **Austria:** G. Mayer-Dolliner. **Belgium:** W. Peeters. **Bulgaria:** P. Karayanev. **Czechoslovakia:** E. Mück; J. Prošek. **Democratic People's Republic of Korea:** Kim Yu Chol; Kim Song Hak; Pak Dok Hun. **Egypt:** A.G.M. Fouad. **France:** J.C. Combaldieu; G. Rajot; J.M. Parra. **German Democratic Republic:** K. Stöcker; K. Wendler. **Germany (Federal Republic of):** M. Bühring; T. John. **Hungary:** G. Pusztai; J. Bobrovsky. **Italy:** M.G. Fortini; M.G. Del Gallo Rossoni. **Mongolia:** T. Dorjiin; G. Lkhagvajav. **Morocco:** M.S. Abderrazik. **Netherlands:** H.R. Furstner. **Portugal:** J. Mota Maia; R. Serrão. **Romania:** R. Susan. **Soviet Union:** : I. Vedernikova; L. Salenko. **Spain:** M.T. Yeste Lopez; C. Ubierna. **Sudan:** A.H. El Tinay. **Switzerland:** J.D. Pasche. **Viet Nam:** Than Nguyen Duc; Ngo Dinh Kha. **Yugoslavia:** R. Tešić.

II. Observer States

Denmark: L. Østerborg; A.M. Broberg.

* Prepared by the International Bureau of WIPO.

** A list containing the titles and functions of the participants may be obtained from the International Bureau.

III. Intergovernmental Organizations

Benelux Trademark Office (BBM): L.J.M. van Bauwel.

IV. Non-Governmental Organizations

Benelux Association of Trademark and Design Agents (BMM): L.J. Verschoor. European Communities Trade Mark Practitioners' Association (ECTA): J. Charrière. French Association of Practitioners in Trademark and Designs Law (APRAM): R. Baudin. Institute of Trade Mark Agents (ITMA): D.B. Lutkin. International Association for the Protection of Industrial Property (AIPPI): R. Harlé. International Chamber of Commerce (ICC): J.M.W. Burras. International Organization for Standardization (IOS): J. Blanc. Union of European Practitioners in Industrial Property (UEPIP): C. Kik.

V. Officers

President: J.C. Combaldieu (France). *Secretary:* P. Mangué (WIPO).

VI. International Bureau of WIPO

F. Curchod (*Director of the Office of the Director General*); P. Mangué (*Senior Counsellor, Industrial Property (Special Projects) Division*); A. Ilardi (*Senior Legal Officer, Industrial Property Law Section, Industrial Property Division*); S. Di Palma (*Head, Trademark and Industrial Design Registries*); R. Unterkircher (*Head, International Trademark Registry*).

Activities of Other Organizations

International Association for the Protection of Industrial Property

Executive Committee
(Sydney, April 10 to 15, 1988)

NOTE*

Introduction

The Executive Committee of the International Association for the Protection of Industrial Property (AIPPI) met in Sydney, Australia, from April 10 to 15, 1988. There were some 200 participants from 40 countries.

The World Intellectual Property Organization (WIPO) was represented by Mr. François Curchod, Director, Office of the Director General, who addressed the meeting at the opening ceremony on April 10, 1988.

The matters examined by the Executive Committee included legal protection of software, the relationship between patent protection for biotechnological inventions and plant variety protection, the patentability of animal breeding, the use requirements for acquisition and maintenance of rights in registered trademarks, the protection of service marks and the harmonization of

patent law. The Executive Committee adopted various resolutions on these matters, with the exception of the last-mentioned item. As regards the harmonization of patent law, the Executive Committee adopted a resolution on one specific point (self-collision). The texts of these resolutions are reproduced below. The Committee further examined the draft WIPO Treaty on the Harmonization of Certain Provisions in Laws for the Protection of Inventions.

Resolutions Adopted

QUESTION 57

Legal Protection of Computer Software

RESOLUTION

I. *Having reviewed* the question of protection of computer software in the light of legal developments and experience

* Prepared by the International Bureau of WIPO.

acquired since the resolution passed at Rio¹ in May 1985, AIPPI observes the following:

1. The countries which have adopted legislation have based the protection for software on copyright.

2. By using the copyright route, States can provide protection for software in general terms effectively and quickly; copyright has not hitherto given rise to major difficulties in its application to computer software.

3. Such protection by means of copyright may be supplemented by rules of unfair competition or by the law of contract.

4. It is immaterial as a matter of principle whether software is treated the same as other existing types of copyright works or as a separate species of copyright work.

5. But having regard to the specific nature of software, there may be a need for special rules on certain aspects of software protection and such rules should be harmonized internationally.

II.1. AIPPI confirms the basic principles of the resolution passed at Rio (*Yearbook* 1985/III).

2. AIPPI further specifically confirms the following points thereof, namely:

- translation (para. 3(c));
- back-up copies (para. 3(d)(i));
- moral rights (para. 4);
- duration (para. 5);
- deposit formalities (para. 6);
- and also that the use, storing, storage, loading and running of an unauthorized copy of a program should be a prohibited act (cf. para. 3(d)(i));
- and in addition that the international conventions on copyright are applicable.

3. According to the resolution passed at San Francisco (*Yearbook* 1975/III),² AIPPI is of the opinion that patent protection should be available for technological inventions incorporating software.

III. AIPPI further affirms as follows:

1. An effective regime for the enforcement of protection of computer software is essential.

2. For a program to qualify for copyright protection, it should not be necessary for a degree of non-obviousness (in the patent sense), or for technical improvement to be present.

3. The fact that a computer program is of its essence functional in nature should not preclude it from protection by copyright.

4. Whether by natural application of copyright law or by express provisions, the rental of a copy of a program, even if legally acquired, should require an express authorization from the copyright owner.

5. A screen display as such should be protectable by copyright to the same extent as any other graphic or textual work; the scope of protection should include the particular form of the display, but should not be so broad as to protect the content of the display as such.

6. Having regard to the fact that commercially successful software may define a "de facto" standard for interconnection with other equipment or for the user's convenience, AIPPI is of the opinion that such software should remain protectable subject to the normal national rules of copyright and that the ordinary anti-trust or anti-monopoly rules are the appropriate legal basis for preventing an abuse of the position so obtained.

7. Where copyright law provides that works made by an employee belong to the employer, such provision is equally applicable to the copyright in computer software.

8. The protection by copyright should clearly cover slavish copying, copying of a substantial part only of a program, and adaptation of a program. It should not cover the ideas embodied in a program, or algorithms as such.

9. The traditional distinction between ideas and expression should be applicable but special consideration should be given to where the line between ideas and expression should be drawn. Copyright should not prevent further development in programming, it being recognized that treating the program as a literary work may lead to protection which is too broad. In that respect, the analogy with scientific works is more suitable than with literary works. In the application of Article IVbis of the Geneva Convention (UCC), the "recognition" test should not be applied too broadly, and should be limited to the expression and not extended to the ideas.

IV. AIPPI considers that it should in the context of its previous work continue study on the following points:

1. To seek to provide firmer guidelines for the application of the distinction between ideas and expression to computer software. It seems appropriate to consider that the scope of protection be proportional to the range of expression available to a programmer. The ideas should not be too broadly stated. Furthermore the mere fact that an alternative expression of the idea is possible should not imply that the chosen form of the expression of the idea must be protectable.

2. In order to enable further progress to take place in programming, consideration should be given to the possibility of decompiling a legally acquired copy of a program to examine its content, which has—perhaps inappropriately—been termed "reverse engineering," provided that this activity does not lead to a work which is itself infringing. A subsidiary question is whether the contractual exclusion of such an activity may be enforced.

3. On the definition of software, in particular as to whether it includes programmable logic devices (when programmed) which might otherwise appear to be unprotected. In defining computer software, consideration should be given to the border line between copyright protection and chip protection.

4. Is the author of a computer-generated work (which may itself be a program) the person who initiates the creation of the work?

5. Are normal copyright rules relating to copying for private use applicable to computer software, or should special provisions apply as has been proposed in relation to reprographic copying? Also, should a legitimate owner of a program have the automatic right to translate, modify or adapt a program to run on different hardware, and if so should it be permissible to exclude this right by contract?

¹ See *Industrial Property*, 1985, p. 271, and *Copyright*, 1985, p. 354.

² See *Industrial Property*, 1975, p. 324.

6. The so-called "shrink-wrap" license practice (under which a purchaser is assumed to agree with the terms of a contract by opening the package containing a program) in particular as to its enforcement by law and as to the scope of the rights which could thereby be retained.

7. The problem that arises when a software provider ceases to exist such as due to liquidation, in ensuring continuity of maintenance for the software user and to enable the user to develop the program further. It seems equitable that the interests of the software user should override the ordinary liquidation rules in this respect. Similar considerations can arise in cases of bankruptcy or reorganization.

V. AIPPI *recommends* to the special committee considering the GATT negotiations that it should take account of the need for efficient border controls, when appropriate and for preliminary injunctions, in relation to computer software.

QUESTION 89C

"Self-Collision"

RESOLUTION

Article 202³ of the WIPO draft Treaty on Harmonization of patent law is concerned with the prior art effect of an earlier but unpublished application on the novelty of an invention in a later application, i.e., the "whole contents" approach.

The article tentatively provides for an exception in the case of identity of the applicants or inventors in the two applications, i.e., an exception for "self-collision."

AIPPI *has been considering* the desirability of such an exception and the detailed provisions which might be made.

AIPPI *is wholly in favor* of an exception for "self-collision."

In considering the details, AIPPI concluded that the exception should arise when there is identity of applicants and that this identity could be partial, i.e., the exception should arise if one application is in the names A & B and the other in the names A & C.

AIPPI *discussed* the possibility of creating the exception by assignment of one application to an applicant in the other application, but *decided* that the exception should depend on identity of the applicants at the date of filing the later application. AIPPI *also considered* the possibility of arguing for "identity" when one applicant is an owned or controlled associate company of the other applicant. In both cases, AIPPI *was of the opinion* that these were complicating considerations which might reduce the possibility of the "self-collision" exception being incorporated in the Treaty.

In considering the possibility of the "self-collision" exception arising from identity of inventors, AIPPI *was fairly evenly divided*. Bearing in mind the not infrequent problem of determining the true inventors at the time of filing, the greater difficulty there may be in making corrections to inventorship after filing, movement of inventors from one company to another and the possibility of inventors not wishing to be

named at all, *it was felt* that, on balance, it would be better to restrict the exception to identity of applicants.

AIPPI *is of the opinion* that the "self-collision" exception should be accompanied by a provision against double patenting.

AIPPI *recognizes* that internal priority is a necessary complement to the self-collision exception.

RESOLUTION

1. In the WIPO draft Treaty on Harmonization of Certain Provisions in Laws for the Protection of Inventions, there should be a provision in Article 202 on Prior Effect of Applications which excludes "self-collision" between applications in which there is at least partial identity of the applicants for the respective applications at the date of filing the later application.

2. The Treaty should exclude the possibility of double patenting in these circumstances.

3. In the Treaty, internal priority should also be provided for.

QUESTION 92A

Use Requirements for the Acquisition and the Maintenance of Registered Trademarks

RESOLUTION

The AIPPI, having studied the question whether use of a trademark should constitute a condition for acquiring and maintaining a trademark registration, *observing* that the national law and practice still shows a number of differences in respect to this question, therefore *welcoming* the WIPO initiative for a harmonization of trademark law, and *keeping in mind* that some of the related questions may not be suitable for being regulated on the national or international level but may, nevertheless, be harmonized by case law and practice, *takes the following position*:

I. Condition of Use for Acquiring a Right in a Registered Trademark

1(a) The AIPPI *observes*

— that already the majority of national laws does not require a sign which is distinctive and eligible for trademark protection to be used as a condition for its registration as a trademark;

— that, in those (three) countries where the national law still requires a trademark to be in use before registration, this condition is eased for foreign applicants who are entitled to the benefits of the Paris Convention for the Protection of Industrial Property;

— that the great majority of national laws does not even require that there should be an intention to use the trademark as a condition of registration.

(b) The AIPPI *believes*

— that modern national and international trademark legislation should not establish any use or intention to use requirement as a condition for the registration of signs which are distinctive and eligible for trademark protection, provided

³ *Ibid.*, 1988, p. 186.

— that it is appropriate to provide for sanctions against unjustified non-use of a registered trademark.

2(a) The AIPPI *observes*

— that most national laws do not exclude the registration of reserve marks,

— that, indeed, in most countries the grace period for using a registered trademark amounts to a factual and temporary admission of reserve marks.

(b) The AIPPI *believes*

— that such a solution satisfies a practical need.

II. Condition of Use for Maintaining Registered Marks

(a) The AIPPI *observes*

— that the great majority of national laws requires a registered trademark to be used to maintain the rights relating to that mark ("obligation to use").

(b) The AIPPI *confirms* the position taken at the Munich Congress⁴ and *emphasizes*

— that in enforcing the obligation to use a registered trademark the function of the trademark should be taken into account which is to distinguish the products or services of a business. (*Annuaire AIPPI* 1978/II, p. 160 *et seq.*)

A. Nature and Form of Required Use

1. Use as a Trademark

(a) The AIPPI *observes*

— that the majority of national laws does not define the nature and amount of use necessary to maintain the rights relating to a registered trademark ("required use");

— that, nevertheless, the opinion prevails that the required use of the mark must be made in relation to goods or services.

(b) The AIPPI *believes*

— that the evaluation of required use should be made taking into account all factual circumstances.

(c) The AIPPI *observes*

— that, in the majority of national laws use of a sign merely as a business name or a business symbol, i.e., not in relation to goods or services, does not fulfill the conditions of required use, and

— that, as a rule, use of merely a sign as a descriptive or geographical indication does not constitute use as a trademark.

2. Required Use as Public Use

The AIPPI *observes*

— that in the majority of national laws the required use must be of a public nature,

— that use of the mark within a group of associated or related companies may fulfill the conditions of required use provided that such is made in connection with a normal business transaction.

3. Form of Required Use

(a) The AIPPI *observes*

— that national law and practice is divided on the question whether use in commercial documents or in advertising fulfills the conditions of required use;

— that, in countries having experience with the protection of service marks, the use of such marks on business documents, including stationary, fulfills the conditions of required use.

(b) The AIPPI *confirms* the position taken at the Munich Congress and *emphasizes*

— that the use of a mark in an advertisement announcing a future sale should fulfill the conditions of required use provided that the process of putting the goods on the market or providing services has been started and that the customer can obtain the goods or the services in the near future. (*Annuaire AIPPI* 1978/I, p. 35)

4. Extent and Genuineness of Required Use

(a) The AIPPI *observes*

— that in all countries where the national law requires a registered trademark to be used, such required use needs to be genuine, token use not being sufficient.

(b) The AIPPI, *recalling* the position taken at the Munich Congress, *believes*

— that the question whether, in a given case, the extent and genuineness of required use can be considered adequate is a question of fact which requires the consideration of all factual circumstances;

— that under these conditions use for the purpose of market tests is normally sufficient;

— that, consequently, the use of a trademark in conjunction with trials (e.g., clinical trials which may not involve the sale of goods) may also fulfill the conditions of required use. (*Annuaire AIPPI* 1978/I, p. 35)

B. Products of Services in Respect of Which the Required Use Must Take Place

1. Effects of Use Which is Limited to One or More of the Registered Goods or Services

(a) The AIPPI *observes*

— that national law and practice differ in considering the effect of use limited to one or more of the registered goods or services ("limited use").

(b) The AIPPI, *recalling* the position taken at its Munich Congress, *believes*

— that consideration of the effects of limited use should take into account the scope of protection of the registered trademark which should always extend to similar goods or services and not necessarily to all goods or services falling in the same class or in respect of which the mark has been registered. (*Annuaire AIPPI* 1978/I, p. 35 *et seq.*)

2. Effects of Use Limited to Specific Goods or Services

The AIPPI *observes*

— that, in case of trademarks registered for goods or services identified by a general term of the official classification (e.g., cosmetics), use which is limited to specific goods or services (e.g., mascara) suffices in most countries to maintain the registration for the general term.

C. Form of the Mark—Elements Which Need to be Used

(a) The AIPPI *observes*

— that with respect to the question of use of the mark in a form differing in elements which do not alter the distinctive character of the registered mark, the national law responds to the principles established in Article 5C(2) of the Paris Convention for the Protection of Industrial Property.

(b) The AIPPI *believes*

— that, as a matter of principle and subject to Article 5C(2) of the Paris Convention for the Protection of Industrial Property, the required use should take place in the form in which the mark has been registered,

— that, in the case of composite marks consisting of several elements, the use of the essential elements should be sufficient,

⁴ *Ibid.*, 1978, p. 243.

— that, in the case of word marks, the mark may be used in any form, typography or color and may be used in combination with additional elements (e.g., trade names, descriptive terms), provided that the mark maintains its distinctive character,

— that, in the case of marks registered and used to distinguish all or a range of products or services of an undertaking, the mark may always be used in combination with (different) product marks,

— that, if a word mark and a device mark are registered separately, combined use of both marks is sufficient to maintain both registrations.

D. Persons Using the Mark

(a) The AIPPI observes

— that the majority of national laws allows for the required use to be made by a third party with the consent of the trademark owner,

— that this consent may, as a rule, be given *a posteriori*,

— that, however, such consent *a posteriori* may not have effect if the registration was challenged before,

— that the third party using the trademark with the consent of the trademark owner need not be a related company or the holder of a formal license,

— that there is no common opinion as to the question whether effective use by a third party presupposes the existence of a written agreement,

— that there is no common opinion as to the question whether the agreement authorizing use by a third party should be legally valid or recorded and should not give rise to objections under the law of unfair competition.

(b) The AIPPI, confirming the position taken at the Munich Congress and at the Toronto Executive Committee Meeting, believes

— that when considering use by a third party the function of the trademark should be taken into account, and

— that, consequently, it should be sufficient that the third party is effectively and genuinely entitled to use the mark on behalf of the trademark owner irrespective of whether the agreement is legally valid or recorded or may give rise to criticism under unfair competition law. (*Annuaire AIPPI* 1978/I, p. 37; 1980/I, p. 121)

E. Place of Use

(a) The AIPPI observes

— that, unless otherwise provided for in international treaties, the majority of national laws provides that the required use must take place within the country of registration,

— that there is a growing number of countries in which the conditions of required use are considered to be fulfilled whenever the mark is used only in relation to goods to be exported.

(b) The AIPPI confirms the position taken at the Toronto Executive Committee Meeting and emphasizes

— that in case of a mark used in international trade it might suffice that either the mark had become known in the country where it was registered or that there was a serious proposal to use the mark in that country. (*Annuaire AIPPI* 1980/I, p. 121)

F. Period Within Which Use is to Take Place

(a) The AIPPI observes

— that the law of a growing number of countries provides for a grace period of five years from registration within which required use has to take place,

— that the national law of most countries does not prohibit a new and independent registration of the mark during the

grace period.

(b) The AIPPI confirms its position taken at the Munich Congress and emphasizes

— that there should be a grace period of five years which should run from the date when the registration is issued,

— that use of the registered mark after expiry of the grace period should revalidate the mark provided that such use takes place before the validity of the mark is called into question. (*Annuaire AIPPI* 1978/I, p. 38 *et seq.*)

G. Extenuating Circumstances

The AIPPI confirms the position taken at the Munich Congress and emphasizes

— that reasons justifying the non-use of a registered trademark within the meaning of Article 5C(1) of the Paris Convention for the Protection of Industrial Property should not only be cases of “*force majeure*” but any other circumstance which is not due to the fault or negligence of the proprietor of the mark. (*Annuaire AIPPI* 1978/I, p. 39)

H. Sanctions and Procedure

(a) The AIPPI observes

— that in almost all countries failure of required use does not lead to lapse or *ex officio* cancellation of the registered trademark,

— that in all countries failure of required use may lead to cancellation of the mark upon request of a third party,

— that in most countries the trademark owner need not prove use at the time of renewal of the registration.

(b) The AIPPI believes

— that evidence of use should not be required for the renewal of a trademark registration,

— that, on the other hand, it is appropriate to put the burden of proof of required use in cancellation proceedings on the owner of the registered trademark,

— that a simple and inexpensive cancellation procedure be provided in which, upon the request of an interested party, the trademark owner must submit *prima facie* evidence of required use.

QUESTION 92B

Protection of Service Marks

RESOLUTION

Whereas the Revision Conference of Lisbon in 1958 introduced by way of Article 6*sexies* of the Paris Convention the obligation of member countries to protect marks for services; and

Whereas there has been a substantial growth in service activities throughout the world; and

Whereas there is general recognition that significant economic and other benefits flow from the certainty provided by a registration system for marks used in relation to goods and no practical distinction can be drawn in respect of marks used in relation to services; and

Whereas a majority of member countries have undertaken to protect marks for services and to provide for the registration thereof; and

Whereas on the basis of the reports submitted by national groups and the Summary Report, AIPPI seeks to develop and enhance the protection of marks for services with a view to their greater acceptance and the harmonization of the laws relating thereto;

Now Therefore Be It Resolved:

1. That a service mark be considered as a mark used in connection with a service performed for another, distinguishing such service from services performed by others.

2. That the public interest would best be served by providing for registration of marks for services.

3. That any person or entity may be the proprietor of a mark for services including a mark relating to social or charitable services.

4. That for purposes of registration of marks for services, countries may include collective and guarantee (certification) marks.

5. That the same general principles governing the obtaining, maintaining, and protection of a mark for goods be applied to marks for services. The same general principles shall also govern in particular the relationship between marks for goods and marks for services.

6. That following the practice of a number of countries, the principle of Article 4A(1) of the Paris Convention granting priority rights in respect of marks for goods be applied to marks for services.

QUESTION 93

Biotechnology

RESOLUTION

Relationship between protection by means of patents for biotechnological inventions and protection for plant varieties: Patentability of animal breeds.

After having considered the working guidelines, the reports of the National Groups (*Yearbook 1987/V*) and after re-consideration of the resolution of Rio de Janeiro on Question 82 (*Yearbook 1985/III*, p. 312),

AIPPI

Re-affirms the principle that inventions relating to living organisms, be they microorganisms, plants, animals or parts thereof, or to other biological material or to processes for obtaining or using them should be patentable on the sole condition that they comply with the usual criteria of patentability. The resolution of Rio de Janeiro, which laid down this principle has been well accepted and has had a positive influence on the ongoing work in WIPO.

Three years after Rio de Janeiro there is no reason to introduce any limitation whatsoever into this principle which should be applied in its generality. In particular, the notion of biotechnological inventions should not be limited to certain specific techniques.

The positive effects of patent protection for technological, economic and social progress together with the existing experience with patent protection for chemicals, pharmaceuticals, microorganisms and foodstuffs convince AIPPI that patent protection will be equally beneficial in fostering the much-needed innovation in the fields of plant and animal production. The remedies against abuses of patent rights which exist under national laws are viewed as being sufficient and satisfactory.

The need for patent protection in this field is reinforced by the fact that wide differences in the numbers of species protected by individual member countries of the UPOV Convention results in a lack of protection by plant breeders rights for many species in particular countries.

The moral or ethical problems which could arise from the application of new techniques in biotechnology should be primarily regulated by laws specifically dealing with those issues to which the patent laws of nearly all countries refer in excluding from patentability inventions contrary to morals or public order.

AIPPI

Expresses its desire to recognize all the consequences following from this fundamental principle, in particular:

- (a) All prohibitions on the patentability of living things, be they plants, animals or other organisms, or of processes for obtaining them which exist in national laws and international treaties, especially the European Patent Convention, should be abolished as soon as possible.

Since such a change will take time to achieve, during the interim period, the present provisions should be interpreted so as to provide the minimum limitation on patent protection. AIPPI endorses the proposals of WIPO in suggested Solutions 1 and 9 of document BIOT/III/2, dated April 8, 1987, which are to the effect that patent protection should be allowed for all plants or animals when produced by patentable processes and for plants, plant material or animals other than plant or animal varieties as such; it being understood that the effects of such patents are not affected by any existing exclusion of plant or animal varieties from patent protection.

- (b) It is necessary to approve firmly the position expressed at Rio de Janeiro that the prohibition on double protection by patent and by plant breeders' rights, where it still exists, in particular in Article 2(1) of the UPOV Convention, and in the laws of the member States, should be abolished. The full freedom should be restored, not only the right to choose the form of protection, patent or plant breeder's right, but also the possibility to have the same subject matter protected by a patent and by a plant breeder's right if and when the requirements of the pertinent law are complied with.

The possibility of protection being provided by both the patent and plant breeders' rights systems may result in different parties having rights covering the same subject matter. In the event that it becomes necessary to obtain a license in order to avoid infringement of the rights of a party, either between the parties as such or other interested parties, AIPPI considers usual commercial agreement between the parties as the means appropriate for the resolution of licensing matters.

- (c) The importance and value of the protection of plant varieties under the UPOV Convention is recognized. Such protection should be strengthened in order to provide better protection for those innovations which do not comply with the criteria for patentability and to enable the holders of such protection to take part effectively in commercial negotiations. In particular, Article 5(3), which permits the free utilization of a protected variety as an initial source for breeding new varieties should be amended to provide, at least, for a royalty in the case of commercial exploitation of that new variety. The existence of Article 5(4) which

provides for protection of end products is noted and AIPPI would encourage member States to take advantage in their national laws of this provision at least in respect of ornamental plants.

AIPPI

Is of the opinion that in relation to patent protection for self-replicable materials the matter of exhaustion of the patent right in relation to the replication or differentiation of, or derivation from, the patented product or the product of a patented process is uncertain in many countries. AIPPI considers the solution as being an evolving one which may

require resolution by legislative and judicial means, but in the meantime supports the Suggested Solutions Nos. 12, 13 and 14 proposed by WIPO in document BIOT/III/2, dated April 8, 1987, which are to the effect that the protection granted should in principle extend to the products of replication, differentiation or derivation.

AIPPI

Decides to continue study of improvements and amendments to be made to the UPOV Convention and invites Committee 51 to prepare a corresponding report for presentation at the occasion of the Congress of Amsterdam in June 1989.

Studies

Remedies in Intellectual Property Cases

R.I. BARKER*

In this paper I attempt to give an overview of the remedies available in intellectual property suits conducted in countries with a British common law tradition. In this respect, I refer also to the copyright cases which are relevant and of interest. When referring to the "British system," I mean the regime of intellectual property law obtaining in England, before changes brought about by the United Kingdom's entry into the European Economic Community (for example, the new United Kingdom patents legislation, the Patents Act 1977).

I can speak with any authority only in respect of New Zealand law. Consequently, there is a New Zealand bias in my paper. Intellectual property law in New Zealand is based on the common law and on English statutes.

It is a truism that breaches of rights to intellectual property (principally the plagiarism of ideas and the piracy of artistic works) know no boundaries. The selection of illustrative cases strives to demonstrate problems which could easily happen elsewhere. New Zealand is a small country with a small population. New Zealand looks overseas for much of its entertainment, literature and technology of all descriptions—particularly electronics and pharmaceuticals—not to mention "pop" idols.

In recent years, New Zealand has been chosen by some warring multinationals as a *forum conveniens* for the resolution of certain disputes. Cases on such diverse topics as cigarettes,¹ penicillin² and rental car fran-

chises³ have all been litigated at length in New Zealand courts, some in the Court of Appeal. Apparently, New Zealand is regarded as providing an adequate standard of forensic and judicial talent; somehow, cases there are considered by some to be more cheaply and more expeditiously run than elsewhere! As against this apparent "plus," is the "minus" that there are just not enough intellectual property cases in New Zealand to enable any counsel or judge to become as steeped in the relevant law as his counterparts in more populous jurisdictions.

Full treatises on available remedies are found in the standard textbooks. Reference can also be made to the appropriate volumes of *Halsbury's Laws of England* (4th edition). Reference may be made to a useful article which reviews differences in the assessment of damages in various kinds of intellectual property claims.⁴

Criminal Remedies

I refrain from discussing criminal remedies. Although various statutes regulating species of intellectual property contain criminal sanctions for various conduct, plaintiffs wishing to uphold their intellectual property rights are usually not particularly interested in invoking the criminal law. In the words of Chan, J. in the High Court in Malaysia in *Television Broadcasts Ltd. and Ors. v. Mandarin Video Holdings Ltd.*⁵ in a "piracy case" "...the criminal law can be too slow and cumbersome at times for it to be effective."

Law enforcement agencies tend to find it difficult to apply the criminal law to complicated legal and factual situations; often they lack the trained investigative personnel to gather appropriate evidence; without such staff, it could be difficult, for example, to establish a charge of conspiracy to defraud involving sophisticated breaches of copyright in computer software; offenses

* Judge, High Court of New Zealand, Auckland. This study was originally presented by the author as a lecture at the Intellectual Property Colloquium of Judges in Asia and the Pacific, jointly organized by WIPO and the Law Association for Asia and the Western Pacific (LAWASIA) with the assistance of the United Nations Development Programme (UNDP), held in Sydney from October 8 to 12, 1984; an edited version was published in the *Australian Law Journal*, vol. 59, pp. 543 and 591, in September and October 1985. A paper based on the above-mentioned lecture was presented at the Forum of Judges on the Protection of Intellectual Property, organized by WIPO in cooperation with the Society for Law and Justice (India), Calcutta Chapter, and UNDP, in Calcutta, from November 20 to 22, 1987.

¹ *Gallagher Ltd. & Ors. v. International Brands Ltd. & Rothman's Tobacco Co. Ltd.* (unreported, Supreme Court, Auckland, March 4, 1977). For a review, see M.A. Vennell, "Passing Off—a Recent Case," [1977] *N.Z. Recent Law* 269.

² *Beecham Group Ltd. v. Bristol Myers Co.* [1980] 1 N.Z.L.R. 192 (H.C.); [1981] 1 N.Z.L.R. 600 (C.A.) (re amoxycillin) and *Bristol Myers Co. v. Beecham Group Ltd.* (unreported, High Court of New Zealand, Wellington, June 23, 1981) (re ampicillin trihydrate).

³ *Budget Rent-a-Car Systems Pty Ltd. & Ors. v. Mutual Rental Cars Ltd. & Anor.*, [1985] 2 N.Z.L.R. 414.

⁴ Alistair S. Brown, "Damages and Account of Profits in Trademark, Trade Secrets, Copyright and Patent Law," (1977) 3 *Auckland University Law Review* 188.

⁵ [1984] F.S.R.111 at 116.

under copyright legislation, where penalties have not been brought up to date can be of a trifling nature with an unrealistic level of statutory penalty. Some countries have in recent years increased criminal penalties but this move often acts as a challenge to the pirates. Civil remedies will always be needed.

A perceptive summary of the problems faced by many countries was given by Mr. Justice Kraichitti of Thailand⁶ at the WIPO/LAWASIA/UNDP Intellectual Property Colloquium of Judges in Asia and the Pacific:

"Enforcement of the laws is often slow, and such delay makes the final, actual enforcement essentially academic. For example, where video movie and musical tapes are concerned, popularity is fleeting, and, thus when legal action is finally taken, such tapes may well already be out of date. Given the realities of prevailing market conditions, i.e., a multitude of small street vendors and thriving black market, injunction orders are difficult to enforce widely. In addition, there are limited remedies and relief, as damage and loss as a direct consequence of infringement, is difficult to prove."

Another problem area relates to the counterfeiting of trademarks. While the production and sales of counterfeited goods are outlawed, the mere possession of such goods is not legally prohibited. The result is a thriving black market and the proliferation of mobile street vendors of these counterfeited goods.

In summary, the laws relating to intellectual property, as is true of other areas of the law, must be understood and their effectiveness assessed in the context of the society in which they operate. The fast pace of technological progress has an unsettling impact on this area of the law. Market conditions, the level of development of the police forces and the extent of social and political stability all affect this field of law.

I note too that different countries operate under a variety of criminal law regimes. Even in common law countries, there is no uniformity. In federal countries, there is the added complication of State and Federal jurisdictions. Some jurisdictions have complete codification of criminal law, others partial; others rely on common law felonies and misdemeanors.

Basically, all countries make fraud in the broad sense (that is to say, theft, false pretences, conspiracy to defraud or whatever) criminally accountable. However, penalties are limited by the general criminal law of each country. In most cases the emphasis of criminal sentencing will be on punishing the wrongdoer in the public interest; there may be no mechanism for compensating those defrauded.

Consequently, my paper deals with remedies in civil litigation only. It also does not deal with "trade practices"-type legislation which differs markedly from country to country and must be considered domestic law for which no common pattern can be found. Nor does it deal with plant varieties. New Zealand is a

signatory to the International Convention for the Protection of New Varieties of Plants of 1961. Its Plant Varieties Act 1986 provides for the granting of proprietary rights to persons who breed or select plant varieties.

General Statement

A general statement of the remedies available for breach of intellectual property rights may be shortly made. However, because fact situations are infinite in number, a vast body of case law has been accumulated over the years to apply the general provisions to special situations.

For all breaches of intellectual property rights, the law provides for the enforcement of those rights by the discretionary remedy of injunction. It awards damages under different headings. It can order an account of profits against the infringer and order him to deliver up and destroy infringing material. Statutes granting statutory protection of certain forms of intellectual property, for example, patents and trade marks, have mechanisms whereby the statutory protection of registration can be revoked.

I deal with *Anton Piller* orders and interim injunction as interim remedies. I then look at remedies as applied to various species of intellectual property cases; I end with a mélange of cases illustrative of the points I have been discussing. The ideal of making this paper of bearable length has meant the omission of or cursory reference to many important topics. I conclude with a few comments about foreign litigants.

Interim Remedies

1. *Anton Piller* Orders

This type of order has been developed by the English courts; it owes its name to the case of *Anton Piller K.G. v. Manufacturing Processes Ltd.*⁷

The need for the order arose out of increasing piracy in the United Kingdom of intellectual property. It is granted where a plaintiff believes that a defendant has infringing articles or other documents in his possession which relate to the manufacture, distribution and sale of the plaintiff's products. The idea is for the plaintiff to be able to obtain speedy and easy access to offending documents, etc., in order to minimize the harm being caused to him.

The key to this remedy is that the application is made *ex parte* (that is to say, without any warning to the defendant); it is only made "where there is grave danger that vital evidence will be destroyed, that papers will be

⁶ "Intellectual Property Issues in Thailand," a paper presented by Mr. Justice Sansern Kraichitti, Supreme Court, Thailand, to the Intellectual Property Colloquium of Judges in Asia and the Pacific (Sydney, October 8 to 12, 1984).

⁷ [1976] Ch.55.

burnt, lost or hidden or taken beyond the jurisdiction and so the ends of justice be defeated."⁸

Ormrod, L.J.⁹ said that such orders would rarely be made; the plaintiff should have an extremely strong *prima facie* case; the actual or potential damage must be very serious for the applicant; the defendant has in his possession incriminating articles; and there is a real possibility that he may destroy such material before an application on notice can be made.

Since the early days of the jurisdiction, the strength of the evidence required from an applicant that the articles are at risk has diminished. In *Rank Film Distributors Ltd. and Ors. v. Video Information Centre and Ors.*,¹⁰ Lord Wilberforce spoke generally of *Anton Piller* orders:¹¹

"They are designed to deal with situations created by infringements of patents, trade marks and copyright or more correctly with acts of piracy which have become a large and profitable business in recent years. They are intended to provide a quick and efficient means of recovering infringing articles and of discovering the sources from which these articles have been supplied and the persons to whom they are distributed before those concerned have had time to destroy or conceal them. Their essence is surprise. Because they operate drastically and because they are made, necessarily *ex parte*—i.e. before the persons affected have been heard, they are closely controlled by the Court: see the judgment of Lord Denning M.R. in *Anton Piller*. They are only granted upon clear and compelling evidence, and a number of safeguards in the interest of preserving essential rights are introduced. They are an illustration of the adaptability of equitable remedies to new situations."

In England, the remedy is exercised frequently; that fact cannot restrict the need for stringent control. Rigid criteria should not be laid down for such a flexible remedy; a judge is expected to use his common sense and take into account the practices of copyright pirates.

Misgivings have been voiced about possible abuses of the procedure. See a useful article by Anne Staines¹² and the comments of Whitford, J. in *Systematica Limited v. London Computer Centre Limited*.¹³

The normal order relates to "illicit goods"—being copies of the offending material; for example, video cassettes, labels and machines used for the manufacture of such things. As the learned author points out in the *Modern Law Review*, the order has been used to restrain the counterfeiting of such articles as whisky, jeans, aircraft and motor parts and for the recovery of documents.

In New Zealand, an *Anton Piller* order was granted in respect of computer software but with stringent safeguards. The order has been extended not just to "pirates" of artistic works but also to "bootleggers"; that

is, those who make recordings of live performances (*Ex parte Island Records Ltd.*).¹⁴

The order requires the defendant to permit the person who serves the order on him, with a stated number of additional persons, to enter the defendant's premises and vehicles within stated hours, looking for, inspecting, photocopying or removing into the custody of the plaintiff's solicitor, any offending things plus all documents, invoices, etc., relating to them. A solicitor is invariably named as one of those who is to execute the order. Clearly, his role is as much that of an officer of the court as a representative of his client.

The defendant is also required to disclose to the person serving the order the names and addresses of all persons responsible for making, copying, supplying or offering to supply him or to whom he has supplied or offered to supply any illicit goods, as well as ancillary information such as the names of printers, partners and customers. He must also disclose the identity of any premises where illicit goods have been stored or are stored; he must, within a limited time after service of the order, make an affidavit stating all the information required to be given pursuant to the order and exhibiting all related documents in his control. It is customary for there to be temporary injunctions, restraining passing off, concealment and giving warnings to others.

The rights of the defendant are preserved by the reservation of liberty to apply within a very short period to vary the order together with an undertaking by the applicant over such matters as:

- (a) to abide by any order as to damages in case the court is subsequently of the opinion that the defendant has sustained damage;
- (b) to inform the defendant of his right to seek and obtain legal advice before complying with the order provided advice is sought and obtained forthwith;
- (c) to retain in safe custody everything obtained as a result of the order.

No instance of actual injustice caused by an *Anton Piller* order has been demonstrated; the article quoted above has the following comments which are of interest:¹⁵

"Copyright owners have, for some time, been justifiably aggrieved by the lack of adequate legal protection for their interests. The Courts' attitude to their grievance has been in the *Anton Piller* cases, rightly sympathetic. The law's inadequacy in this area is rooted in the desire to deal with copyright infringement by traditional methods which take no account of the incidence of special problems. The nature of the property involved, the size of the losses suffered by its owners and the ease with which such losses can be inflicted are problems which demand special attention. It is submitted, however, that the answer does not lie in a discretionary order of the very severe nature of *Anton Piller*. The order is itself prone to some of the traditional weaknesses of the law in this area. The break-down pursuant upon a demand for strict proof is one example. The necessary process of tracing the 'big fish' through a chain of orders for discovery served lower down the line makes it difficult to envisage the order's direct effectiveness against the real

⁸ *Ibid.*, at 61 per Lord Denning M.R.

⁹ *Ibid.*, at 62.

¹⁰ [1982] A.C. 380.

¹¹ At 439.

¹² "Protection of Intellectual Property Rights: *Anton Piller* Orders," (1983) 46 M.L.R. 274.

¹³ [1983] F.S.R. 313, 316-7.

¹⁴ [1978] Ch. 122.

¹⁵ *Op. cit.*, n.18, ante at 287.

villains. Once they are warned of its issue at the foot of their operation, they are unlikely to sit in wait for its arrival on their own doorstep. However fast the procedure, it is submitted that it can never be fast enough to overcome these difficulties. Recent developments are therefore unlikely to increase its effectiveness as a weapon against copyright infringement. They show, nevertheless, a dangerous possibility of further expansion."

An example of an *Anton Piller* order in action is shown in a recent judgment of the New Zealand Court of Appeal.¹⁶ The plaintiffs in the High Court (respondents in the Court of Appeal) were companies with a worldwide business of making and distributing films (i.e., Thorn EMI, Warner Brothers and 20th Century Fox) plus a New Zealand trade association concerned to protect film producers and distributors from piracy of their own films.

The plaintiffs alleged that they owned the copyright in or held exclusive licenses to the copyright or represented the owners or exclusive licensees of the copyright for a number of commercially successful films including "Star Wars" and "From Russia with Love." The appellants conducted what they called a "video club" which appeared to involve the procuring, making, storing and disposing of infringing copies of cinematograph films for unlawful profit. The Court of Appeal, on the evidence before it, had no difficulty in upholding the *Anton Piller* orders made in the High Court; the sole matter for decision was whether the jurisdiction could be thwarted by the objection of the alleged "pirate" that to supply the information and documents would tend to incriminate him (what would be called in the United States of America the "5th Amendment" point).

In the Court of Appeal, the appellants relied on *Rank Film Distributors Ltd. v. Video Information Centre* where it had been held that there was a serious and appreciable risk of the defendants being prosecuted for the common law offense of conspiracy to defraud and that the privilege against self-incrimination was available. However, after that decision was given, the legislature in the United Kingdom speedily enacted a statute to the effect that such privilege could not be invoked in civil proceedings for intellectual property infringement or passing off but that statements so elicited would be inadmissible against the maker in the proceedings for a related offense.

In New Zealand, as in Australia, the availability of privilege against self-incrimination when discovery or interrogatories are sought, is well established. The Court of Appeal had to decide whether, in the absence of special legislation in New Zealand, the Court should follow the House of Lords and hold that the risk of either summary prosecution under Section 28 of the New Zealand Copyright Act 1962 or of prosecution for the crime of conspiracy to defraud under Section 257 of the Crimes Act 1961 was a reality (New Zealand criminal law is purely statutory).

The majority of the Court of Appeal (Cooke and Bisson, JJ.) declined to apply the House of Lords' decision to New Zealand conditions. It held that the possibility of a prosecution for the petty offense created under the Copyright Act was negligible. The penalties provided for breach of that Act were minuscule compared with the defendants' potential profits; the possibility of such a prosecution would be remote.

The Court overcame the objection against self-incrimination by referring to the High Court's jurisdiction to avoid unfairness in criminal cases, by excluding evidence; a plaintiff seeking an *Anton Piller* order could be put on terms. The Court required the plaintiffs in that case to give, as a condition of obtaining the *Anton Piller* order, except for the purposes of proceedings for perjury or contempt of Court, an undertaking that they would not, directly or indirectly, use any document the subject of an order or any information obtained from an order or any answers from the defendants under the order for the purposes of any criminal prosecution of the defendant, nor make the same available to the police for any purpose. Prosecutions for perjury or contempt were of course unaffected; if in some case there was a real risk that the handing over of documents would entail self-incrimination for an offense not connected with intellectual or other property the subject of the action, then ordinary privilege could be claimed.

The leading judgment for the majority held that it was dealing with judge-made processes of discovery and interrogatories, a judge-made privilege and a judge-made practice as to evidence receivable in a criminal trial. Cooke, J. said:

"Experience first overseas and now in New Zealand has shown that it is reasonable to put the process to a new use to meet a demand occasioned by the abuse of new technology. The privilege established in the 19th century remains as valuable and as important as ever. All that is needed is a modification of the practice so as to enable information to be obtained while preserving the privilege."

The minority judgment of Somers, J. preferred to follow the House of Lords' decision in the *Rank* case.

The advantages of the drastic *Anton Piller* jurisdiction could be:

1. the prevention of acts of piracy;
2. the obtaining of the identity of other persons who might legitimately be joined as defendants to the action.

The cases tend to show that while there has been no injustice yet shown, the Court must exercise vigilance to ensure that this draconian process is not abused. *Anton Piller* is an example of the adaptability of the common law to new problems thrown up by modern technology; particularly, in this context, the ability to copy cheaply and piratically plus the facility to disseminate widely and for great profit the fruits of such action. The *Anton Piller* drawbacks are outlined in the *Modern Law Review* article and in the judgment of Scott, J. in *Columbia Picture Industries, Inc. v. Robinson* [1986]

¹⁶ *Busby & Kitching v. Thorn E.M.I. Video Programmes Ltd. & Ors.* [1984] 1 I.N.Z.L.R. 461, overruling the judgment of Davison, C.J. in High Court of New Zealand, reported in [1984] F.S.R. 342.

3 W.L.R. 542, 568. Just as with drug dealers, it is hard to catch the real "Mr Bigs."

2. Interim Injunctions

The most frequently sought remedy in intellectual property cases is the injunction. Basically, it is a command from the court enforceable by the court addressed to the defendant, requiring him to refrain from doing something which is said to infringe some legal or equitable right of the plaintiff who has sought the injunction. This statement reduces the injunction to its simplest terms and ignores both its history and the many refinements engrafted by case law.

Mandatory injunctions are rarely issued on an interlocutory basis; they require the defendant to perform some positive acts as distinct from refraining from doing something. The distinction between prohibitory and mandatory injunctions is often a narrow one because many mandatory injunctions can be dressed up as prohibitory by semantic reverse engineering.

The interim (or interlocutory) injunction can be aimed at both actual or threatened conduct. If it applies to threatened conduct, it is called a *quia timet* injunction.

In intellectual property law, an injunction can be sought in all situations, that is:

A. At common law:

- (i) to restrain a defendant from "passing off" his goods as those of the plaintiff;
- (ii) to restrain a defendant from breaching confidentiality; for example, from using confidential information obtained as a result of an agreement or in situations where confidentiality is to be implied.

B. Under statute to restrain an actual or threatened infringement of a registered patent, design or trade mark; or a breach of copyright.

Until the decision of the House of Lords in *American Cyanamid v. Ethicon Inc.*,¹⁷ the threshold test for the grant of an interim injunction was whether the plaintiff had made out a *prima facie* case. Since that decision (which was, incidentally, given in a patent action) the test is now whether there is a "serious question to be tried." That threshold requirement is established by affidavit evidence without cross-examination; in practice, it imposes no great burden on a plaintiff with any sort of case even when the defendant, by answering affidavit, denies the plaintiff's allegations. The court, without a full hearing, is usually in no position to adjudicate on factual merits.

The *American Cyanamid* case sets out an enumeration of criteria which the courts must consider before deciding whether an interim injunction should issue. Common law jurisdictions, other than England, have

accepted this test; certainly, the courts in New Zealand have.¹⁸ The Australian position would now appear to be in line also, after the High Court decisions in *Australian Coarse Grain Pool Pty. Ltd. v. The Barley Marketing Board of Queensland*¹⁹ and *Tableland Peanuts Pty. Ltd. & Ors. v. The Peanut Marketing Board*.²⁰ One would anticipate that other Commonwealth jurisdictions would follow the House of Lords.

As a result, interim injunctions in all types of cases, but particularly intellectual property cases, have become a "growth" industry in New Zealand at any rate; possibly as a result of the demise of personal injury litigation. Often, an interlocutory injunction hearing will be determinative; many cases litigated at this stage are never seen again in the court system.

As a first instance judge, the most helpful checklist—which I have often used—is found in the judgment of Browne, L.J. in *Fellowes & Son v. Fisher*,²¹ wherein he refers to Lord Diplock's speech in *Cyanamid*. I quote it for its practical worth:

1. "As to that (i.e. the balance of convenience), the governing principle is that the court should first consider whether, if the plaintiff succeeds at the trial, he would be adequately compensated by damages for any loss caused by the refusal to grant an interlocutory injunction. 'If damages ... would be adequate remedy and the defendant would be in a financial position to pay them, no interlocutory injunction should normally be granted, however strong the plaintiff's claim appeared to be at that stage.'"
2. "If, on the other hand damages would not be an adequate remedy, the court should then consider whether, if the injunction were granted, the defendant would be adequately compensated under the plaintiff's undertaking as to damages. 'If damages in the measure recoverable under such an undertaking would be an adequate remedy and the plaintiff would be in a financial position to pay them, there would be no reason upon this ground to refuse an interlocutory injunction.'"
3. "It is where there is doubt as to the adequacy of the respective remedies in damages... that the question of balance of convenience arises. It would be unwise to attempt even to list all the various matters which may need to be taken into consideration in deciding where the balance lies, let alone to suggest the relative weight to be attached to them. These will vary from case to case."
4. "Where other factors appear to be evenly balanced it is a counsel of prudence to take such measures as are calculated to preserve the status quo."
5. "The extent to which the disadvantages to each party would be incapable of being compensated in damages in the event of his succeeding at the trial is always a significant factor in assessing where the balance of convenience lies..."
6. "... if the extent of the uncompensatable disadvantage to each party would not differ widely, it may not be improper to take into account in tipping the balance the relative strength of each party's case as revealed by the affidavit evidence adduced on the hearing of the application. This, however, should be done only where it is apparent upon the facts disclosed by evidence as to which there is no credible dispute that the strength of one party's case is disproportionate to that of the other party."
7. "... in addition to (the factors) to which I have referred, there may be many other special factors to be taken into consideration in the particular circumstances of individual cases."

Since *Cyanamid*, the House of Lords has looked again at some of its criteria. In *Garden Cottage Foods*

¹⁸ For example, *Consolidated Traders Ltd. v. Downes*, [1981] 2 N.Z.L.R. 247, 255 (C.A.).

¹⁹ (1982) 57 A.L.R. 425.

²⁰ (1984) 58 A.L.J.R. 283.

²¹ [1976] Q.B. 122, 137-8.

¹⁷ [1975] A.C. 396.

Ltd. v. Milk Marketing Board,²² Lord Diplock explained the *Cyanamid* reference to the *status quo*, as being the state of affairs existing during the period immediately preceding the filing of the interim injunction application.

The English Court of Appeal has taken a flexible approach which accords with common realities of a situation where a Court is being asked to determine a question of proper construction; contracts, statutes, and patent specifications are all candidates for such treatment. In such cases, although the proceedings are interlocutory in form, no amount of evidence can affect the ruling that the Court has to make; the parties usually argue the matter fully and the substantive issue can often be determined at that stage; see *Cayne & Anor. v. Global Natural Resources plc*.²³ The headnote correctly summarizes the effect of that decision:

"Where the grant or refusal of an interlocutory injunction will have the practical effect of putting an end to the action, the court should approach the case on the broad principle of what it can do in its best endeavour to avoid injustice, and to balance the risk of doing an injustice to either party. In such a case the court should bear in mind that to grant the injunction sought by the plaintiff would mean giving him judgment in the case against the defendant without permitting the defendant the right of trial. Accordingly, the established guidelines requiring the court to look at the balance of convenience when deciding whether to grant or refuse an interlocutory injunction do not apply in such a case, since, whatever the strengths of either side, the defendant should not be precluded by the grant of an interlocutory injunction from disputing the plaintiff's claim at a trial."

In intellectual property injunctions, the courts have recognized the practicalities of making a final decision under the guise of dealing with an interlocutory injunction. *Newsweek Inc. v. British Broadcasting Corp.*²⁴ was a passing-off case involving the word "Newsweek," where all the essential facts were before the Court. The following passage from the judgment of Lord Denning in the Court of Appeal strikingly reflects the British approach:²⁵

"This is a typical case which we should decide today and not send to trial. It is one of the cases which we had in mind in *Fellowes & Son v. Fisher* ante. In passing off cases and the like the practice has always been to decide them on motion. We look to see whether the plaintiffs have or have not a strong, *prima facie* case and whether there is a reasonably good answer to it on the defendants' side, and then decide what is to be done.

"This word 'Newsweek' is very largely a descriptive word. It is 'News of the Week' shortened for commercial and publicity purposes to 'Newsweek.' I do not think we should give one publication virtually a monopoly in that largely descriptive word. It would stretch all over the English-speaking countries. We certainly should not do it when the great majority of the ordinary folk of England who watch television would not have the slightest idea or slightest knowledge of the American periodical *Newsweek*. It was said: 'The BBC could make some alteration in the word. They could alter it in some little way or another, and that would be good enough.' But there are not many choices available. It has to convey the idea of 'News' and the idea of 'Week.' There are very few short and snappy titles available. It seems to me that the likelihood of confusion, and the likelihood of damage, is not sufficient to warrant the court granting an injunction to stop the BBC going on with their programme."

²² [1984] A.C. 130, 140.

²³ [1984] 1 All E.R. 225 at 238 per May, L.J.

²⁴ [1979] R.P.C. 441.

²⁵ *Ibid.*, at p. 448.

The approach of the House of Lords to interim injunctions certainly has lightened the task of the plaintiff. There is some protection for the defendant in the plaintiff's undertaking as to damages but there should always be a careful assessment of the plaintiff's ability to pay; particularly when an injunction is issued without hearing from the defendant. Where the plaintiff is a foreign corporation, the defendant has the right to seek security for costs.

Permanent Remedies – Injunction

The grant of a permanent injunction is always discretionary; there is a complex body of case law showing when an injunction will or will not be granted.

In cases involving patents, copyright and trademarks, the validity of the claim for statutory protection must be established and must be invulnerable. It is common in a patent action for infringement to be met with a counterclaim for revocation on one of the several grounds set out in the Act such as lack of novelty, obviousness or prior publication. Patent attorneys scour the shelves of the local patent office library to find some obscure publication prior in date to the patent in question in the hope of achieving a "technical knockout." Learned scientists of the appropriate discipline ponder for weeks on the question of novelty or obviousness; often the choice comes down to a very narrow issue of scientific discernment; see, for example, the New Zealand round in the *Beecham v. Bristol* litigation (see footnote 2 *ante*).

Generally speaking, an injunction will not be granted where damages are an appropriate remedy, where the rights of third parties are at risk or where the plaintiff has not come to court "with clean hands."

Normally, injunctive relief will be granted against proven infringement of statutory intellectual property rights such as copyright and to protect confidential information, unless there is some particularly compelling reason to the contrary. Otherwise, a plaintiff with, say, a patent, left only to rely on damages, would be licensing his right to all corners.

Breach of an injunction (whether permanent or interim) by an individual can be punished by attachment—this is a quaint word for describing imprisonment for contempt of court. In the intellectual property field, it is frequent that corporations are on the receiving end of an injunction. Sequestration of assets is the remedy for a corporation's defiance of the court's order. See *Quality Pizzas Ltd. v. Canterbury Hotel Employees' Industrial Union*.²⁶

It is advisable for a plaintiff to devise some method for making an individual the recipient of an injunction because of the nature of the penalties. Recent newspaper reports from the United Kingdom demonstrate the

²⁶ [1983] N.Z.L.R. 612.

difficulties encountered by the sequestrators of the Mine Workers' Union which had defied High Court injunctions.

Sequestration involves the appointing of receivers to take possession of the assets of the corporation in contempt and to deny it the right to enjoy or dispose of the property until further order of the court. When contempt has been purged, the order of sequestration is lifted. A fine can be imposed as an alternative.

Remedies for Breach of Copyright— General Comments

The Copyright Acts in both the United Kingdom and New Zealand have a number of provisions devoted to the topic of remedies. Infringement is, generally speaking, actionable at the suit of the owner or exclusive licensee of the copyright and the following relief may be granted; that is, injunction, damages, order for account of profits, order for delivery up and destruction of offending material.²⁷ At times, the question of a plaintiff's right to sue can be vexing. The following particular points should be noted:

1. Injunction

In an action for infringement in respect of a construction of a building, no injunction shall be made after the construction of the building has been begun so as to prevent it from being completed or so as to require the building (insofar as it has been constructed) to be demolished.

2. Damages

(a) Where it is admitted that an infringement was committed but at the time the defendant was unaware and had no reasonable grounds for supposing that he was infringing, the plaintiff is not entitled to damages but shall be entitled to an account of profits in respect of the infringement;

(b) where effective relief is not otherwise available, the court in assessing damages for infringement has power to award additional damages, taking into account the flagrancy of the infringement and any benefits shown to have accrued to the defendant thereby;

(c) the owner of copyright is entitled to all rights and remedies in respect of the conversion or detention by any person of any infringing copy or plate. This is called "conversion damages;" a plaintiff is not entitled to conversion damages if the infringer at the time he came into possession of the infringing copies, or plates, was not aware and had no reasonable grounds for supposing

that they were not infringing copies or plates. In those circumstances, the plaintiff has the right:

- (i) to delivery up of all the infringing plates without compensation to the person who innocently held them or to damages if they are not so delivered,
- (ii) the right of delivery up of infringing copies upon payment to the person who held them of the cost of such copies,
- (iii) the right to leave the copies in the hands of the person holding them on the basis that that person may lawfully dispose of them,
- (iv) the right to the profits earned by the innocent infringer whether before or after he had noticed that the copies were infringing copies and to an account of those profits;

(d) damages for infringement and damages for conversion are cumulative but nevertheless they must not overlap. This somewhat difficult concept is explained in *Sutherland Publishing Co. Ltd. v. Caxton Publishing Co. Ltd.*:²⁸

"As an example of what I mean by overlapping let me take the following case. The owner of a copyright in a book proves that, whereas if it had not been for the infringement he could have sold 1,000 copies, he has only been able to sell 500, the infringer having printed and sold 500 copies. It is obvious that as the possible market for the book is limited to 1,000 copies, if the damages for infringement under Section 6 are fixed on the basis that the copyright owner would have sold 1,000 copies, but for the infringement, and at the same time the value of the 500 copies sold by the infringer is fixed for the purposes of Section 7 at the amount for which they were sold, the result will be that the copyright owner will have recovered damages on the footing that there was an available market for 1,500 copies only. If he had sold 1,000 copies there would have been no market for the 500 copies made by the infringer, which would accordingly have had no value. Conversely, if the 500 copies sold by the infringer were worth what they were sold for, this could only be so on the basis that the copyright owner was only going to sell 500 copies and at the same time to award him damages based on the sale price of the 500 copies sold by the infringer would not be permissible."

(e) the relevant act of conversion on which conversion damages are assessed is a dealing with goods in a manner inconsistent with the right of the true owner plus an intention to deny the owner his right or to assert a right inconsistent with the owner's right. See *Lancashire & Yorkshire Railway & Ors. v. MacNicol*.²⁹ The measure of damages for conversion is the value of the article converted at the date of conversion. This is not necessarily the price for which the owner could sell the article. Where infringing copies are sold by a defendant, a different value is usually assessed by reference to the sale price less proper expenses incurred after the conversion such as binding, collection, delivery and advertising;

(f) where part of a work only infringes, the value of the whole work must be assessed as if the whole work had been converted. The court must then "take a guess" at determining the value of the offending components as a proportion of the value of the whole of the article.

²⁷ New Zealand Copyright Act, Section 24; United Kingdom Copyright Act, Section 18.

²⁸ [1936] Ch. 323, 342 per Greene, L.J.

²⁹ (1919) 88 L.J.K.B. 601, 605.

3. Account of Profits

The plaintiff cannot obtain both an account of profits and damages because the claim for an account condones the infringement. The account is for net profits. Normally, the choice between account or damages is that of the successful plaintiff. See *Weingarten Bros. v. Charles Bayer & Co.*³⁰ A plaintiff's election is not necessarily binding on the court: *Ancher, Mortlock, Murray & Woolley Pty. Ltd. v. Hooker Haines Pty. Ltd.*³¹

Strong criticism of the accounting option was expressed by Lindley, L.J. in *Siddelli v. Vickers*:³²

"The plaintiff therefore was perfectly within his right in electing, as he did in this case, to have an account of profits; but I do not know any form of account which is more difficult to work out, or may be more difficult to work out than an account of profits. One sees it—and I personally have seen a good deal of it—in partnership cases where the capital of a deceased or outgoing partner has been left in the trade; an account has been directed of the profits made in respect of an invention, and the difficulty of finding out how much profit is attributable to any one course is extremely great—so great that accounts in that form very seldom result in anything satisfaction to anybody. The litigation is enormous, the expense is great; and the time consumed is out of all proportion to the advantage ultimately attained; so much so that in partnership cases I confess I never knew an account in that form worked out with satisfaction to anybody. I believe in almost every case people get tired of it and get disgusted. Therefore, although the law is that Patentee has a right to elect which course he will take, as a matter of business he would generally be inclined to take an inquiry as to damages rather than launch upon an inquiry as to profits."

4. Delivery Up

Courts of equity, in order to perfect their injunctions in all kinds of intellectual property cases—patents, trademarks, designs, copyright and passing off—can order the delivery up of all offending material and its destruction. Delivery up and destruction have to be confirmed on oath. Failure to obey such orders has the same serious consequences for a defendant as breach of an injunction.

Selected Problems of Damages under the Law of Copyright

1. Conversion Damages

The draconian nature of conversion damages has been criticized by many courts; the House of Lords in *Infabrics Ltd. & Ors. v. Jaytex Ltd.*³³ is no exception. As Lord Wilberforce there pointed out, the section in the Copyright Act giving rise to conversion damages was developed from one originally intended to deal with copies from plates; it was extended to other reproducing media. It may well not have been thought out, he said, in relation to industrial designs when the substrate may be of much greater value than the design imposed.

Lord Scarman said:³⁴

"A more troublesome point on s. 18 is the measure of damages. In cases, like the present, of industrial design, damages for infringement under s. 17 are often small. Limited (in the absence of special circumstances) to the depreciation in value of the copyright, they can be minimal. In the present case Infabrics paid only a few pounds for the design. But the damages for conversion can be very great. If the industrial application of the infringing copy is a success, damages are recoverable as if the owner of the copyright was the owner of every infringing copy sold; see s. 18(1). And what if the infringing copy be engraved on a silver chalice or a gold medallion? The language of the subsection is, I think, clear; it bestows on the owner of the copyright the rights and remedies to which at common law an owner of goods is entitled for their conversion. It treats the owner of the copyright as if he were the owner of the infringing copies. Since at common law the damages for conversion are ordinarily measured by reference to the value of the goods converted, I would not think it legitimate to construe the subsection otherwise, though the result will be injustice in some cases. If the possibility of excessive damages is to be eliminated, legislation will be needed, for the language of the subsection permits of no other construction."

Prichard, J., in an unreported New Zealand High Court decision—*Crystal Glass Industries Ltd. & Ors. v. Alwinco Products Ltd. & Ors.*³⁵—said of conversion damages:

"I would go so far as to say that in many cases, where industrial designs are concerned, it is a remedy which is calculated to produce manifestly, even monstrously unjust results. It can result in the author of the drawing who may be utterly incompetent as a manufacturer or marketer of the article which his drawing depicts, receiving the full value, not only of the raw materials used by the infringing manufacturer and not only the labour costs and tooling expenses incurred by that manufacturer but also the expertise of that manufacturer and mass production and marketing of the product. No doubt there are circumstances in which this kind of justice should be visited upon infringers of copyright—but in the context of industrial design and production the remedy seems a clumsy and inappropriate approach to the measure of damages. It is not surprising that the 1977 report of the Whitford Committee (in England) is critical of this aspect of Copyright Law."

Following the report of a committee appointed by the Government to inquire into various aspects of intellectual property law in New Zealand, the Copyright Amendment Act 1985 was passed to ameliorate the position and to modify the excessively punitive conditions relating to conversion damages.

One other aspect is the assessment of conversion damages where only part of the defendant's product comprises infringing material. This was dealt with by Prichard, J. in the *Crystal Glass Industries* case, *ante*, thus:

"There can be no doubt that the Plaintiffs are entitled to have their damages assessed on the conversion basis. But equally, in my view, this is a case where the Defendants' product consists in part of infringing and in part of innocent material. The Plaintiffs are not entitled to recover as damages the full value of all 'Alwinco' caravan windows which have been constructed from the offending extrusions, but only to such proportion of the total value as can fairly be attributed to the infringing portion of each window. This, I think, is in line with what Templeman, J. had to say (with reference to delivery-up of the offending car) in *Nichols Advanced Vehicle Systems Inc. v. Rees* (supra) and with such cases as *John Lane Ltd. v. Associated Newspapers Ltd.* (1936) 1 K.B. 715; *Ash v. Dickie* (1936) Ch. 655 and *Sutherland Publishing Co. Ltd. v. Caxton Publishing Co. Ltd.* (1936) Ch. 323. It is a case for what the learned

³⁰ (1905) 22 R.P.C. 341, 351.

³¹ [1971] 2 N.S.W.L.R. 278, 291.

³² (1892) 9 R.P.C. 152, 162.

³³ [1982] A.C. 1, 18.

³⁴ *Ibid.*, at p. 26.

³⁵ Unreported, High Court, Hamilton, April 15, 1983; for appeal decision, see [1985] 1 N.Z.L.R. 716.

author of *Copinger and Skone James* calls "rusticum iudicium"—the best estimate the Court can make on the materials before it."

2. Damages for Flagrant Breach of Copyright

The Act provides for the award of additional damages against an infringer, having regard to the flagrancy of the infringement and any benefits shown to have accrued to the defendant by reason of the infringement. What is "flagrant" depends on the circumstances and is a question of fact and degree. If the defendant's breach is made in cynical pursuit of benefit, then the statutory criteria are satisfied; see *Prior v. Lansdowne Press Pty. Ltd.*³⁶

In *Hemingway v. Mercer*,³⁷ Chilwell, J. in the New Zealand High Court awarded additional damages under the section to a plaintiff who had designed a simple "wall planner" which the defendants had cynically copied.

In *Wellington Newspapers Ltd. v. Dealers' Guide Ltd.*³⁸ a weekly newspaper, *New Zealand Truth*, had reproduced substantial parts of a car dealers' guide, the copyright of which was owned by the respondent. This was a publication compiling current trade prices paid for various makes of second-hand vehicles throughout New Zealand; the information was gathered from a number of sources and assembled in categories such as make, engine rating and mileage. Subscriptions for the guide were available to motor dealers who regarded the publication as confidential. *Truth* asserted its intention to present a comprehensive list of used cars and the prices that they will fetch on the market—"Their retail price—what you would expect to pay a dealer." Some part of the guide was reproduced.

Sinclair, J. in the High Court had found that the reproduction of the relevant material in *Truth* was a deliberate borrowing from the respondent's information, published under the guise of having been prepared by *Truth* staff for the benefit of its readers. He considered that there had been blatant plagiarism of the respondent's manuscripts and an underhanded attempt to use information which the appellant was not entitled to use for its own benefit. He found that the newspaper must have thought it commercially worthwhile to have included the information in its publication and that the respondent would not be able to establish the financial benefit thus obtained by *Truth* nor what effect the publication may have had on its own business.

Sinclair, J. accepted that it was impossible to fix a quantum of compensatory damages under Section 24(1) of the Copyright Act 1962 and that an order for the taking of accounts would not be of any benefit to the plaintiff. He fixed damages under Section 24(3) at \$7,500. The appellant submitted that the respondent

had suffered no damage, that the award was punitive and that the subsection did not contemplate exemplary-type damages.

The Court of Appeal considered that the conduct of the appellant was clearly outrageous. It had lessened the value of the respondent's publication; it had dressed up the material as its own; the inference was that the publication was intended to maintain, if not to increase, its sales. The Court held that not only was the breach flagrant but also effective relief would not otherwise be available. There were difficulties in assessing infringement damages; there could be no evidence of loss of sales or any other basis for calculating the value of the copyright or the amount of a license fee for its use.

There was difficulty too in establishing conversion damages because the infringement material was only a very small part of the publication, even allowing that an assessment can be made by the Court on the "rusticum iudicium" principle (referred to earlier), apportioning the infringing material to the total publication; see *Copinger*.³⁹ The Court held that the considerations relevant to an award of exemplary damages in tort were of equal application and that the section expressed the same notions as those of exemplary or punitive damages, discussed in *Cassell & Co. Ltd. v. Broome & Anor.*⁴⁰ and *Donselaar v. Donselaar.*⁴¹

One of the judgments recorded that the section in the identical United Kingdom Act was enacted as a result of the report of the Copyright Committee in England which was of the view that cases existed where an injunction would not benefit the plaintiff, where the infringement had not involved the making of copies and where damages would not be an adequate remedy. The instant case was a prime example of that view.

3. Defense of Public Interest

There is a defense to a claim for damages for breach of confidence and breach of copyright of "public interest," if it can be shown that it was in the public interest to have published the confidential information. The decision of the English Court of Appeal in *Lion Laboratories Ltd. v. Evans*⁴² demonstrates this principle. There, the plaintiff manufactured an electronic computerized instrument known as the "Lion Intoximeter 3000" which was used for measuring the levels of intoxication in allegedly drunken drivers. Policing authorities in many countries find the cost of administering blood tests and the like is great; a relatively simple device, readily administered by law enforcement officers, such as a breathalyzer, is desirable, provided it works accurately.

³⁶ [1977] R.P.C. 511.

³⁷ Unreported, High Court of New Zealand, Auckland, June 20, 1984.

³⁸ [1985] 1 N.Z.L.R.

³⁹ *Copinger & Skone James on Copyright* (12th ed., 1980), para. 652.

⁴⁰ [1972] A.C. 1027.

⁴¹ [1982] 1 N.Z.L.R. 97.

⁴² [1984] 2 All E.R. 417.

Two technicians who had worked on the instruments left the plaintiff's employment; subsequently, the plaintiff learned that these technicians were trying to contact some national newspapers with confidential documents which indicated doubts as to the reliability and accuracy of the instruments. The plaintiff obtained an injunction against the ex-employees and a newspaper. The newspaper published an article stating that the instruments were prone to error but that further information had been withheld by the Court order. The Court of Appeal held that the defense of public interest was available as a defense to actions for breach of confidence and breach of copyright; such defense was not limited to cases in which there was wrongdoing on the part of the plaintiff, but that the Court had to take account, *inter alia*, of the wide difference between what might be of interest to the public, on the one hand, and what, on the other hand, should be made known in the public interest, and the extent to which the public interest might be better served by confidential information being passed to the police or some other responsible authority or body rather than to the press which might have a private interest, for example, from the standpoint of circulation, in publishing matters of appeal to the public. The Court, in considering a defense of public interest, had to weigh competing public interests, that is to say, a public interest in the right of an organization or individual to preserve the secrecy of confidential information and a public interest in the community being informed of matters that were of genuine public concern.

On the facts before it, the Court of Appeal considered that the public interest in maintaining the confidentiality of the plaintiff's documents was outweighed by the public interest in ensuring the accuracy and reliability of a device on which depended the liability of motorists to disqualification, fine and imprisonment. The plaintiff, as the only manufacturer licensed to produce the instrument, owed a grave obligation to the public to ensure that it was manufactured and maintained to the highest standard; failure to observe that obligation would mean the possibility of wrongful conviction and loss of liberty imposed on the public.

Stephenson, L.J.⁴³ expressed the opinion that there might even be circumstances where the public has a right to receive and the media have a duty or right to publish confidential information even if it has been unlawfully obtained in flagrant breach of confidence, irrespective of the motive of the informer. Griffiths, L.J.⁴⁴ said that, if the press raised the defense of public interest, the Court must appraise it critically but if a strong case of public interest has been made out, the press should be free to publish, leaving the plaintiff to his remedy in damages.

Contrast another almost contemporaneous decision of the English Court of Appeal in *Francome v. Mirror Group Newspapers Limited*⁴⁵ in which the *Daily Mirror* was offered (at a price) tapes of an illegal "tap" on the telephone of a well-known jockey which seemed (to the *Mirror*, at least) to indicate the commission of breaches of the rules of racing. The jockey issued proceedings alleging that the tapes were obtained in breach of confidence and obtained an interim injunction which (i) restrained the *Mirror* from publishing anything based on the tapes and (ii) required it to identify the vendors of these tapes.

The Court of Appeal set aside limb (ii) of the injunction, but not limb (i). Sir John Donaldson MR noted that the news media perform an invaluable function in exposing crime, anti-social behavior and hypocrisy, but "they were peculiarly vulnerable to the error of confusing the public interest with their own interests." In this case, he continued, any public interest would be served by giving the tapes to the police or the Jockey Club; wider publication could only serve the interests of the *Mirror*.

See also on confidentiality of Crown documents *Secretary of State for Defence & Anor. v. Guardian Newspapers Limited*.⁴⁶

Damages for Breach of Confidence

A difficult aspect of remedies for breach of confidence lies in the assessment of damages. The valuation of the "headstart" advantage to the defendant, gained by his unauthorized use of confidential information, causes problems.

In *Talbot v. General Television Corporation Pty. Ltd.*,⁴⁷ the Supreme Court of Victoria noted various ways in which damages for this tort can be assessed, including:

(a) the market value of the subject information based on a willing buyer/willing seller valuation (the approach taken in *Seager v. Copydex Ltd. (No. 2)*;⁴⁸

(b) fair remuneration to the plaintiff for a license to use the information—a *quantum meruit* approach used in *Stovin-Bradford v. Volpoint Properties Ltd.*⁴⁹ for infringement of an architect's copyright in building plans. See also *Interfirm Comparison (Australia) Pty. Ltd. v. Law Society of New South Wales*;⁵⁰

(c) the amount of the diminished value of the information in the hands of the plaintiff after the breach has occurred (the approach taken in *Talbot's case, ante*).

⁴³ [1984] 2 All E.R. 408.

⁴⁶ [1984] 2 W.L.R. 268, C.A.; affirmed by the House of Lords on another point ([1984] 3 W.L.R. 986).

⁴⁷ [1980] V.R. 224.

⁴⁸ [1969] 1 W.L.R. 809.

⁴⁹ [1971] Ch. 1007.

⁵⁰ (1975) 6 A.L.R. 445.

⁴³ *Ibid.*, at p. 422.

⁴⁴ *Ibid.*, at p. 435.

Just as no exclusive measure of damages exists for breach of copyright, appropriate to all circumstances, so the basis of the damages available for breach of confidence must be that most appropriate to a particular case. Bowen, C.J. in Eq. said in the *Interfirm* case,⁵¹ the law relating to breach of confidentiality is closer to the law relating to copyright of unpublished works than to the law of patents.

To the three approaches noted above can be added a fourth: in *Whimp v. Kawakawa Engineering Ltd.*,⁵² Chilwell, J. considered that a plaintiff whose confidential information had been used by the defendant was entitled to some allowance for the "headstart" or "springboard" effect which the defendant had achieved through his infringement. The information had been used but not published by the defendants.

There was a discussion by the learned Judge of the basis of assessment of damages in *Seager v. Copydex Ltd. (No. 2)*, ante, which he described as "swingeing" and at times productive of unjust results; he considered various criticisms of that decision based on an alleged incomplete conception of the fusion of law and equity in the field of damages.

Chilwell, J. thought that the *Seager v. Copydex Ltd. (No. 2)* approach was inappropriate to the case before him. Instead, he considered the proper basis for an award of damages to be damages in lieu of injunction under Lord Cairns' Act. He noted that an account of profits was not authorized by that Act but that any award of damages must be *in substitution* for an injunction.

Acting on the "headstart" principle, he went back 12 months before the issue of the writ as the starting point for his assessment; the submissions of the defendants were rejected; the correct measure was a payment for the advantages received by the defendant over the rest of the public by obtaining the information in confidence and not through public sources. Chilwell, J. ordered an enquiry into the loss which the defendants would have suffered, if enjoined over the 12-month period and the consequential loss to the plaintiff by the defendants' not being so enjoined.

Remedies in Patent Cases

Much patent litigation is concerned with the establishment of the right to the grant of the patent. Proceedings to hear objection to a grant are normally heard at first instance by an official in the Patent Office against whose decision there is usually a right of appeal to a superior court.

Remedies for infringement of patents are injunction, damages or account of profits and order for delivery up and destruction of offending material. However,

"conversion" damages are not available. The normal basis for damages applies, that is to say, compensation to the plaintiff for the injury suffered. Consequently, the anomalous situation can be reached where it is more advantageous to sue for breach of copyright in drawings than for damages for infringement of a registered patent.

Because of (a) the short life of patents, (b) the extension of industrial copyright to drawings of three-dimensional objects with no artistic merit and (c) the delays and uncertainties involved in obtaining a patent, one of the chief uses to which this means of protection of intellectual property has been put in recent years has been in the field of chemical patents. I had personal involvement on the Bench with two rounds of the worldwide litigious battle between Beecham of the United Kingdom and Bristol of the United States concerning amoxycillin and ampicillin trihydrate—forms of penicillin both; at one stage, the right to the amoxycillin patent was being litigated in 57 different countries. That case, although now settled, was fought with much vigor because the rewards flowing from the grant of a patent are very great. In New Zealand alone, evidence showed that amoxycillin was the drug most frequently prescribed by private medical practitioners, let alone in hospitals.

Often these patents are "convention" patents—registered worldwide once an invention is claimed—often long before it is commercially produced anywhere—let alone placed on the pharmaceutical market in all countries of registration.

In consequence, applications for injunctions are to be expected when the patent has only a few years of life remaining (subject to any right to an extension on the grounds of lack of remuneration). In these circumstances, the court may, in assessing the availability of damages as an appropriate remedy, have regard to what has been termed the "bridgehead" argument.

The decision of Hillyer, J. in New Zealand in *Eli Lilly & Co. v. Douglas Pharmaceuticals Ltd.*⁵³ is in point. The plaintiff alleged infringement of its patent for a broad spectrum semi-synthetic antibiotic with the trivial name "Cephalaxin." This patent had expired in New Zealand in March 1983; a further patent had been obtained for what was called a new crystalline Cephalosporin and processes for preparing same; at the date of hearing, this second patent had some two years to run. At an interim injunction hearing based on infringement of this patent, Hillyer, J. had no difficulty in finding that there was a "serious question to be tried;" in his consideration of whether an interim injunction should issue, he considered an important factor the undeniable fact that the patent monopoly not only enabled the patentee to sell the substance without competition during the period of the monopoly, but it also enabled him to approach or to enter on the period after the monopoly

⁵¹ *Ibid.*, at p. 447.

⁵² Unreported, High Court of New Zealand, Whangarei, December 18, 1979.

⁵³ Unreported, High Court of New Zealand, Auckland, May 2, 1984.

ceased in a very strong position in the marketplace. This principle was noted in the *American Cyanamid* case by Lord Diplock:⁵⁴

"It is notorious that new pharmaceutical products used exclusively by doctors or available only on prescription take a long time to become established on the market, that much of the benefit of the monopoly granted by the patent derives from the fact that the patented drug is given the opportunity of becoming established and this benefit continues to be reaped after the patent has expired."

Hillyer, J. considered that the substantive action would be unlikely to come to trial until after the patent monopoly had expired; the "bridgehead" could not therefore be re-established before competition had to be faced.

He also considered an argument based on the so-called "hawks on the wire" principle, that is, if one infringer succeeds in becoming established and thereby obtains a license to operate until the patent expires, other would-be infringers would swoop down and it would be difficult to prevent their obtaining a similar concession. In *Catnic Components Ltd. v. Stressline Ltd.*,⁵⁵ an interim injunction was refused because there was more than one infringer.

Another metaphor for the same phenomenon was used by Buckley, L.J. in *Conder International Ltd. v. Hibbing Ltd.*:⁵⁶

"Then a good deal was said in the course of the argument before the learned judge, and something has been said before us, about what is called the 'snowball effect.' What is meant by that expression is that the plaintiffs conceive themselves to be open to the depredations of infringers in this case because of the simplicity of their invention and because of the comparative cheapness of its manufacture and the ease of its installation by the purchaser. They have had to fight off four or five infringers already, apart from the defendants, and they say that if the defendants are not restrained, other infringers will be encouraged to come into the market and infringe their patent. That is called the snowball effect. It is not suggested that that would itself be an element in assessing damage for which the plaintiffs could hold the defendants liable, but it is said that it is a proper consideration to take into account in arriving at the balance of convenience in determining whether or not this is a case in which an interlocutory injunction should be granted.

I would not say that that is not a proper consideration to take into account, or that it might not be a proper consideration to take into account in a suitable case; but *prima facie* it must surely be for the plaintiff company to protect itself against all infringers, and it does not appeal to me at all as an argument for holding that the defendants in the present case should be subjected to an injunction which would otherwise not be granted against them."

Hillyer, J. considered that the difficulties of valuing the bridgehead and of assessing damages generally against this defendant who had entered into a deliberate course of infringing with its eyes open without adequate checking was sufficient to justify an injunction.

The *Eli Lilly* case is also interesting for its reference to the *status quo* as discussed in *Garden Cottage Foods Ltd. v. Milk Marketing Board*. Hillyer, J. considered it not possible to preserve the *status quo* by holding the defendant's level of sales; the level existing immediately

prior to the issue of the writ disclosed one particular marketing situation; a fresh infringement occurred every time the product was sold. He considered the only satisfactory way of preventing an increase of an ongoing marketing situation throughout the country would be to prevent sales entirely. He saw the choice as one between preserving the situation prior to commencement of the conduct complained of and of preserving the situation immediately preceding the issue of the writ.

The law does not normally limit freedom to institute claims or to even threaten proceedings. Large corporations sometimes use the tactic of threatening to sue persons whom they perceive as small-time infringers; the threats often extend to customers of the alleged infringer in the hope that they may take fright.

The tort of malicious falsehood offers some limited assistance in such situations by awarding damages for a malicious statement where a right of action exists.

In *Ratcliffe v. Evans*,⁵⁷ Bowen, L.J. said that written or oral falsehoods are actionable "where they are maliciously published, where they are calculated in the ordinary course of things to produce and where they do produce actual damage."

The requirement of special damage and proof of malice can create difficulty. Malice usually means that the defendant knows the statement to be untrue whether or not he intended to benefit himself or injure the plaintiff. That particular tort is only of limited application.

The law realizes that in the case of patents, the expense and the uncertainty of infringement proceedings are so great that a special statutory remedy is provided against persons who falsely threaten to sue for patent infringement. In such circumstances, a patentee may obtain a declaration that the threats are unjustifiable, an injunction against their continuance and damages for any loss that they have caused. This is a special remedy for patent cases only.

Remedies for Passing-Off

Subject to the general rules mentioned earlier, a plaintiff is normally entitled to an injunction and to either an enquiry as to damages or an account of profits for the tort of passing-off.

The object of ordering an account is to deprive the defendants of the profits which they have improperly made by the wrongful acts committed in breach of their rights. The purpose of such an order is not to punish a defendant but to prevent his unjust enrichment by compelling him to surrender those profits or parts of profits actually made by him which were improperly made but nothing beyond this.

An interesting and illustrative case in this area of damages is the subsidiary decision of Slade, J. in *My*

⁵⁴ *American Cyanamid Co. v. Ethicon Ltd.* [1975] A.C. 396 at 410.

⁵⁵ [1970] F.S.R. 157.

⁵⁶ [1984] F.S.R. 312, 315.

⁵⁷ [1892] 2 Q.B. 524, 257.

*Kinda Town Ltd. (trading as Chicago Pizza Pie Ltd.) v. Soll & Anor.*⁵⁸ The Judge had earlier decided that the defendant's unlawful use of the name "L.S. Grunt's Chicago Pizza Co." justified the grant of an injunction at the suit of the plaintiff. He was satisfied that the use of this name for a restaurant had given rise and was likely to give rise to confusion amongst a substantial number of people. There was, however, evidence that many persons had not been in the least confused. The plaintiffs sought to deprive the defendants of all the profits of their business over the relevant period, with no differentiation between profits made from meals served to persons confused into believing that the defendant's restaurant was connected with the plaintiff's and profits made from meals served to customers who knew of the plaintiff's restaurant and had not been confused; there was a third category of profits made from meals served to customers who had no knowledge of the plaintiff's restaurant at all.

Slade, J.'s decision on liability was reversed by the Court of Appeal.⁵⁹ It was unnecessary for that Court, therefore, to consider the secondary judgment which accordingly still retains its interest.

Slade, J. considered that the inquiry as to damages could not include every sale of a meal; the plaintiff was entitled to profits made by the defendant only from sale of meals to persons who were confused. The evidence showed that the defendant's restaurant was thriving and that its profits in many cases owed nothing to the plaintiff's reputation. The judge realized that the task of the Master assessing this kind of damages would be extremely difficult; in his directions to the Master, he held that the Master should not regard the onus as falling on either party, namely, that the plaintiff must prove what part of the relevant profits are attributable to the defendant's use of the offending name or for the defendants to prove what part was not so attributable. He enjoined the Master to approach the matter broadly and without mathematical exactness.

The case is also interesting for a discussion of taking accounts in intellectual property cases; different principles apply. Where infringing goods are sold under a misleading get-up to a middleman, such a sale may constitute such a tort, even though the middleman himself is not misled.

*Edelsten v. Edelsten*⁶⁰ is authority for the following propositions:

(a) where goods are sold by A in a misleading get-up, calculated to make a purchaser believe that the goods are the goods of B, the tort of passing-off is complete when the goods are supplied to A by middlemen for the purpose of being sold again in the marketplace under the misleading guise;

(b) an account may be ordered against A in respect of all profits gained in the sale of the goods, to

middlemen, whether or not the middlemen themselves have been deceived; for in such circumstances, A has placed into the hands of the middlemen an instrument of fraud.

A New Zealand passing-off case with an international dimension is *Esanda Ltd. & Anor. v. Esanda Finance Ltd.*⁶¹ The plaintiff was a finance company wholly owned by a bank which operated in both New Zealand and Australia. The plaintiff was the 34th in a survey of the top 100 Australian companies; it had no direct presence in New Zealand but did have some financial involvement with New Zealand residents and companies as well as a reputation in New Zealand. Its parents, ANZ Bank (NZ), claimed that by reason of its eponymous Australian parent's association with the plaintiff, its own reputation in New Zealand would be affected by any improper use of the name Esanda. The defendant company was formed by a Swiss national who claimed a desire to use a name which referred to his European Swiss and Australasian associations; he originally decided to call it Euro-Swiss and Australian Finance Ltd. Casey, J., following the decision of Chilwell, J. in *Gallagher Ltd. v. International Brands Ltd.* (the tobacco marketing case) and *Sheraton Corporation of America v. Sheraton Motels Ltd.*⁶² held that reputation plus some market activity in the jurisdiction, although the evidence of it may be weak, is enough to establish a business goodwill entitled to protection; particularly is this so where a defendant has flagrantly taken the plaintiff's name to exploit to its own advantage.

Some businesses are, however, to a greater or lesser extent truly international in character and the reputation and goodwill attaching to them cannot in fact help being international also. Some national boundaries such as, for example, those between members of the EEC are in this respect becoming ill-defined and uncertain as modern travel and Community rules make the world grow smaller. The existence and extent of the plaintiff's reputation and goodwill in every case is one of fact however it may be proved and whatever it is based on.

Finally, on the question of passing-off, I note in passing that resort can sometimes be had to corporation registration legislation where the use of the name for a proposed new company similar to that of an existing company or one which is calculated to deceive the public, can be stopped.

Trade Marks

Section 4 of the United Kingdom Trade Marks Act, which is the same as Section 8 of the New Zealand Act, deals with infringement of trademarks; it provides a

⁵⁸ [1982] F.S.R. 147.

⁵⁹ [1983] R.P.C. 407.

⁶⁰ (1963) 1 DeG.J. & S. 185; 46 E.R. 72.

⁶¹ [1984] F.S.R. 96.

⁶² [1964] R.P.C. 202.

definition of "infringement" that was described in the leading case of *Bismag Ltd. v. Amblins (Chemist) Ltd.*⁶³ as of "fuliginous obscurity." It states that the exclusive right to use a trademark is reposed in the registered proprietor; then, "without prejudice to the generality of the foregoing words," it proceeds to define two kinds of infringement. The first by the use of the mark as a trademark and the second (in a convoluted definition) by importing a reference.

One learned author⁶⁴ opines that the second definition was an attempt to remedy the supposed deficiencies of the tort of injurious falsehood by preventing comparative advertising the like of which involved the use of a registered mark.

The Act specifies a number of defenses to infringement actions including the situation where the plaintiff's mark has been used in the course of deceptive trading. For example, *Bile Bean Manufacturing Company v. Davidson*.⁶⁵ The registered proprietor falsely advertised bile beans as containing an Australian herb discovered by a fictitious scientist. He therefore failed against another trader who also used the expression "bile beans" for his product.

A claim for infringement of trademark by importing a reference is discussed by a recent judgment of Casey, J. in the New Zealand High Court in *Montana Wines Ltd. v. Villa Maria Wines Ltd.*⁶⁶ and the decision of Casey, J. This is an interesting example of the technique known in advertising circles as "boot-strapping," whereby a smaller trader "boot-straps" his way onto the reputation of a larger trader. Montana was a market leader in the wine industry; its products had won many prizes. Villa Maria was a much smaller way of business; it too had won prizes and produced wines of quality. Villa Maria embarked on an advertising campaign in "up-market" magazines in which a bottle of its wine appeared in company with a bottle clearly identified as Montana's; the depiction of Montana's bottle showed its name and part of its label which included the words registered under Part B of the Trade Marks Act, that is, "Montana" and "Blenheimer;" and a Part A trademark, that is, a wine press device.

The text of the advertising praised the qualities of both wines; it suggested there was nothing between them but the personal preference of the consumer. Nothing uncomplimentary was said of Montana's products. Nothing in the illustration and the text directly suggested a connection in proprietorship but the plaintiff contended that the casual reader would form the impression that there was some trade relationship between the two. Montana submitted that this

advertisement was an attempt by Villa Maria to associate itself with the prestige and goodwill of Montana and thereby increase its sales by "boot-strapping."

Casey, J. followed the *Bismag* case, *ante*; there, the defendant had manufactured a large range of patent medicines and in an advertising brochure, it set out in an advertisement the composition and price of its own products, making comparisons between them and the production of competing manufacturers. There was no suggestion that the defendant there was attempting to appropriate the plaintiff's products. The majority of the English Court of Appeal held that there was an infringement. Despite the penetrating analysis of the ambiguities of the section made in that case, the section has never been amended. There was some criticism of the majority decision in *Bismag* by the House of Lords in a 1945 case.

Casey, J. noted that *Bismag* had been followed in recent years in both England and Ireland; he felt the decision was still good law. The judge then considered a defense provided by the section that no injunction or other relief should be granted to the plaintiff if the defendant establishes to the satisfaction of the Court that the use complained of is not likely to deceive or cause confusion or be taken as indicating a connection in the course of trading between the defendant's goods and those of the person interested in the market.

On an interim injunction basis, Casey, J. considered that the plaintiff's position in the market was being threatened by the defendant's campaign of sophisticated advertising; he therefore granted an injunction holding that the above defense was not available. The Court of Appeal differed from Casey, J. and held:

"The relevant trade connection is one indicating that the proprietor of the trade mark is the origin or a source of the infringer's goods—in this case that Villa Maria's wines are attributable in some way to Montana. What Villa Maria was required to establish was that its use of Montana's mark was not likely to be taken as indicating such a link between its wine and Montana. The burden was discharged because its use of Montana's mark was not such a trade mark use as is mentioned in s. 9(2) and there can be no likelihood of indicating a trade connection in the course of trade where the use is not capable of doing so."

The Court also held that there was no case of infringement under Section 8(1)(b) which cannot arise from the use of a mark as an indication of a trade connection. The owner of a mark in such circumstances must rely on his remedy for the tort of passing-off.

The judgment of the Court delivered by Somers, J. also has a useful discussion as to the parameters of an interim injunction hearing. It pointed out the particular requirement of the Act that no injunction or other relief shall be granted unless certain matters are established. The judgment contains a helpful review of the history of trademark legislation.

Cases where the plaintiff does not carry on business in a particular country but where it has a "slopover" reputation are becoming more frequent.

In addition to the remedies of injunction and damages available for infringement of a trademark, there is also a right to apply for removal of a mark from

⁶³ [1940] Ch. 667, 687 per MacKinnon, L.J.

⁶⁴ Cornish, *Intellectual Property—Patents, Copyright, Trademarks & Allied Rights*, 1980, at p. 559.

⁶⁵ (1906) 23 R.P.C. 725.

⁶⁶ Unreported, High Court of New Zealand, Auckland, February 23, 1984—decision of Court of Appeal [1984] 2 N.Z.L.R. 422.

the register. Rectification of the register can be sought by a person other than the proprietor or the Registrar, provided the applicant is a "person aggrieved." This phrase has been liberally construed and can include another person in the trade or persons substantially interested in having the mark removed. In some jurisdictions, there is a concurrent jurisdiction to take this step vested in the Commissioner and the court. There is usually an appeal from a decision of the Commissioner to a superior court; there is often a right in the Commissioner to appear before the court as a party in proceedings involving rectification.

An illustrative case where a trademark was removed from the register is *North Shore Toy Co. Ltd. v. Charles L. Stevenson Ltd.*⁶⁷ The plaintiff successfully obtained the removal of a trademark—"Lullaby"—registration of which had been procured by the defendant. The applicant for removal had no registered mark but manufactured its toys under the name "Lull-a-bye." The applicant succeeded because it had itself devised the mark and had become the owner of a common law mark; registration by the defendant had been obtained without sufficient cause. It was held that there was a tangible danger of confusion because of the closeness of names. Accordingly, the plaintiff was able to overcome the statutory presumption of validity in favor of a registered trademark.

Three Illustrative Recent Cases in Intellectual Property Law

1. *Barson Computers (N.Z.) Ltd. & Ors. v. John Gilbert & Co. Ltd.*⁶⁸

This case was concerned with the problem known as "parallel importing" and demonstrates the protection which copyright law affords to a distributor who has sole rights of distribution in a particular country granted to him by an overseas manufacturer of copyright goods. An English company (Acorn) manufactured two personal computers. These were marketed in New Zealand by the plaintiff, Barson, which had exclusive distributorship rights for New Zealand. The defendant quite legitimately purchased the Acorn products in the United Kingdom and then imported them into New Zealand where it marketed and sold them in competition with the English company's sole distributor.

On the application for an interim injunction before Prichard, J., the parties agreed to a statement of facts which allowed the court to determine whether the New Zealand Copyright Act provides protection in New Zealand against the importation of Acorn products lawfully purchased by the defendant in the United

Kingdom and imported into New Zealand for sale without the sanction of the English manufacturer.

The judge noted that a purchaser of articles made under copyright or under license can make what use he likes of his purchase without infringing. However, it is otherwise when copies are taken over an international frontier for the purposes of trade without the consent of the person who owns the copyright in the country into which they are brought. This principle has been implemented internationally by a system whereby each nation provides in its own legislation that such importation is a species of secondary infringement.

The judge saw the object of the international system to be protection of the interests of persons who own copyright in the country of importation. For example, without such protection, foreign-made, cheaper copies, made under license, could flood the market in the country where the copyright owner is domiciled. In the *Barson* case, the plaintiffs alleged that the unauthorized importation for resale of copies made by the person who owned the copyright in the country of exportation must have an adverse effect on the business of any exclusive licensee or distributor in that country and so deplete the royalties or other payments which the owner of the copyright could expect to receive.

Infringement of copyright by unauthorized importation was recognized early in the development of copyright law; see *Pitt Pitts v. George & Co.*,⁶⁹ dealing with a musical composition. That case recognized that when infringement by importation is in issue, the law of the place of importation is decisive. The difference between the *Barson* case and *Pitt Pitts* was that in *Barson*, the manufacturer was the owner of the copyright in the country of importation as well as in the country of manufacture whereas in *Pitt Pitts*, the German copyright owner did not have publishing rights in England.

Prichard, J. considered the judgment of Stephen, J. in *Interstate Parcel Express Co. Pty. Ltd. v. Time Life International (Nederlands) B.V.*⁷⁰ That judgment made it clear that the title acquired by the purchaser of a chattel, while entitling him to make such use of the chattel as he thinks fit, does not enable him to use it in a way which infringes the vendor's copyright.

The *Barson* case ultimately depended on the interpretation of Section 10(2) of the New Zealand Copyright Act (the equivalent of Section 16(2) of the United Kingdom Act), namely:

"The copyright in a literary, dramatic, musical, or artistic work is infringed by any person who, without the licence of the owner of the copyright, imports an article (otherwise than for his private and domestic use) into New Zealand and if to his knowledge the making of that article constituted an infringement of that copyright, or would have constituted such an infringement if the article had been made in the place into which it is so imported [emphasis added]."

⁶⁷ [1973] 1 N.Z.L.R. 562.

⁶⁸ 1985 F.S.R.

⁶⁹ [1896] 2 Ch. 866.

⁷⁰ (1977) 138 C.L.R. 534, 545-557.

There is a similar provision in the Canadian Act.

The trouble is that the subsection does not say who is the notional manufacturer. The defendants argued that the person who notionally manufactures in New Zealand must be the person who actually manufactured the article overseas. If that person owns the New Zealand copyright, he is entitled to manufacture in New Zealand without infringement—although he would be in breach of his contract with his sales distributor. There is English authority to support that proposition.

Section 37 of the Australian Act overcame the problem before Prichard, J. It provides in its concluding words:

“... where, to his knowledge, the making of the article would if the article had been made in Australia by the importer have constituted an infringement of the copyright [emphasis added].”

After considering English, Australian and Canadian authority, the judge declined to follow the English cases and held that the purpose of the subsection was to afford the owner of copyright in New Zealand protection against any importation into New Zealand of copies from overseas without his sanction, irrespective of who made them. It was immaterial that the imported copies were made by the person who owned the copyright in both the place of manufacture and the country of importation; although the subsection is capable of more than one meaning, the argument advanced by the defendant created an unsustainable anomaly which would impair the system of licensing and distribution. An interim injunction was granted.

2. *Bendon Industries Ltd. v. Presslok Industries Ltd. & Ors.*⁷¹

The defendant had previously been employed by the plaintiff; they left to form their own company for the manufacture of plastic bags sealed by a profiled closure incorporating a rib interlockable with a groove. These plastic bags are in common use.

The plaintiff had manufactured these bags for years under the name of “Minigrip.” The originator of the “Minigrip” bag was a Japanese inventor associated either as a director of or an employee of a Japanese company which had patented the minigrip machine in several countries. The relevant United States patent was deposited in the New Zealand Patent Office in 1966; the drawings forming part of the specification were two-dimensional representations of the bag. An Australian company applied to patent the invention in New Zealand in 1968; this application was in respect of the same invention as that covered by the U.S. patent; unlike the U.S. patent, the specification made no mention of the Japanese origins. This New Zealand patent lapsed; the plaintiff claimed an exclusive license with the Japanese company to manufacture the bags in New Zealand.

Before commencing operations, the second defendant sought advice from a patent attorney to ascertain whether there was any license in New Zealand held by the Japanese company. The patent attorney said that the patent had lapsed; he advised the defendants to obtain from the Taiwanese manufacturer of the machines which the defendants were importing to make the bags a declaration that they were made from an original design.

In pursuance of this advice, a document was obtained from a Taiwanese manufacturer; the plaintiff alleged he was one of several “rogues” who were copying machinery designs. Taiwan is not a party to international copyright conventions.

In the course of the judgment, I remarked that the action for breach of copyright in an industrial design was flourishing; and that a plaintiff could frequently be better advised to sue under copyright than under passing-off or for infringement of a registered patent, because of the remedy of conversion damages. I noted also that, in New Zealand, there has been a spate of decisions protecting copyright in such diverse and aesthetically unattractive but functional articles as kiwi-fruit trays, rubber connectors for lavatory pans, steel filing cabinets, farm gates and plastic tie straps.

The first argument for the defendants was that there was no “work” in which the copyright could subsist. This was a technical argument based on the transitional provisions of the 1962 Act; I held that protection extended to a convention country such as Japan.

Of greater significance was the reference to the *Catnic* defense based on the remarks of Whitford, J. in *Catnic Components Ltd. v. Hill & Smith Ltd.*⁷² where the learned Judge said:

“In my view, by applying for a patent and accepting the statutory obligation to describe and if necessary illustrate embodiments of his invention, a patentee necessarily makes an election accepting that, in return for a potential monopoly, upon publication, the material disclosed by him in the specification must be deemed to be open to be used by the public, subject only to such monopoly rights as he may acquire on his application for the patent and during the period for which his monopoly remains in force, whatever be the reason for the determination of the monopoly rights. If this be correct, and even if I were wrong in the view that I have expressed that D3 and D4 do not infringe, upon publication, the plaintiffs must be deemed to have abandoned their copyright in drawings the equivalent of the patent drawings.”

These comments were criticized by learned text writers⁷³ and also in two New Zealand cases.

However, the case under discussion was one where the *Catnic* defense might have applied; a patent had been allowed to lapse and the plaintiff was relying on the copyright even though there was no patent protection.

The anomalous situation is that a patentee suing during the life of his patent on his statutory monopoly,

⁷² [1982] R.P.C. 183, 206.

⁷³ Laddie, Prescott & Vitoria, *The Modern Law of Copyright* (1980) at paras. 10.85 & 10.92.

⁷¹ Unreported, High Court of New Zealand, Auckland, October 29, 1982.

can receive less in damages than if he sues in copyright, years after his patent had expired, and gains conversion damages.

The case also demonstrates that, where a convention copyright claim is sought to be established, the evidence must make it clear who was the author of the work and what was the claim of title from him to the applicant for relief. The documents referred to the individual as the inventor but did not make it clear as to his exact status with the company which granted licensing to the plaintiff. In the exercise of discretion, an interim injunction was refused.

3. *The Decision of the New Zealand Court of Appeal in Lincoln Industries Ltd. v. Wham-O Manufacturing Co. & Ors.*⁷⁴

The respondents claimed that the appellant had manufactured and sold flying discs known as "frisbees;" the appellant had infringed a registered trademark; the appellant had wrongly procured for itself registration of a trademark. The remedies ordered by Moller, J. at first instance were thoroughly appropriate; they demonstrate the breadth of remedies available in intellectual property cases. He ordered:

- (a) an injunction restraining the appellant from breaching the first respondent's copyright in certain named materials;
- (b) the destruction of all infringing copies and associated materials to be proved on oath;
- (c) correction of the trademark register by expunging the offending trademark;
- (d) the destruction on oath of material infringing the trademark;
- (e) an enquiry as to damages due to the first respondent by the appellant.

Wham-O, an American company, first developed a flying disc in 1957. This was a smooth disc with no raised rings or ribs on its upper surface. A patent was obtained in 1958 by the designer which was subsequently assigned to Wham-O. In the same year, Wham-O applied for registration of the trademark "frisbee" which was registered in many countries but not in New Zealand.

In 1964, Wham-O applied to patent a modification of the frisbees which involved circular ribs or rings located on the upper surface. The first disc made with ribs was called "Pro frisbee" produced in 1964. The same designer produced various versions of the frisbees in the ensuing years. The appellant had commenced operations in 1946; in 1946, it entered into an agreement with a company selling and manufacturing toys in Australia. The agreement provided that the appellant should have the exclusive right to manu-

facture and market in New Zealand every product made or marketed by the Australian company on certain conditions. The Australian company had received samples of the frisbee from Wham-O. Another toy manufacturer in Australia began to market a flying disc under the name of "Cyclops;" Toltoys (the Australian company) bought out this other company and later sold the Cyclops mould to the appellant as well as supplying it with promotional and instructional material in relation to frisbees.

Moller, J. found that both the appellant and Toltoys knew that the effect of the arrangement was that the appellant would sell the Wham-O flying disc in New Zealand; Wham-O should have been entitled to royalties; the agreement did not amount to a sublicense; both were fully aware that Wham-O knew nothing of the deal between the appellant and Toltoys.

After initial difficulties with marketing in New Zealand, frisbees eventually "took off" with a "master frisbee" which differed from the Wham-O model in a number of relatively unimportant ways.

The judgment of the Court of Appeal is lengthy and it is not feasible to consider all of it in this paper.

In summary, the Court held that copyright had been proved to exist in a number of materials in relation to the three models and that the appellant had reproduced that work in material form.

A point relating to the international convention was considered—namely, that a person claiming copyright in a work from a foreign company would have to prove the permit given to copyright to a New Zealand work in that country. It was submitted that no such proof had been tendered by Wham-O and that failure was fatal. The point was not determined because it had not been raised in the Court below.

The Court also dismissed a claim for relief to be refused on the grounds of acquiescence or laches. The Court also held the conversion damages were payable and that the judge was correct in his view of the trademark aspects.

An appeal to the Privy Council has been filed.

The Foreign Litigant in Intellectual Property Cases

Many countries are parties to international conventions which have the broad aim of permitting registration in country B of patents and trademarks registered in country A or which extend copyright protection in country A to other "convention" countries.

Mass circulated cinematographic films, popular television series and recordings of pop stars are phenomena of the age. Sophisticated marketing techniques have made, for example, the Beatles, Abba, James Bond and "ET" household words amongst the young in undeveloped as well as developed countries. Residents of countries which are too poor or too small to have

⁷⁴[1984] 1 N.Z.L.R. 641, upholding the decision of Moller, J. reported in [1981] 1 N.Z.L.R. 620.

commercial television can console themselves with videos, not just of box-office successes but of sporting events—not to mention blue movies.

Pirates and bootleggers abound; both in countries where pirated copies are made in bulk and in other countries where, under clandestine "cottage industry" situations, infringing items can be copied or recorded for little or no cost and an infinite number of copies flooded onto the market.

In the chemical patent field, small or developing countries just do not have the resources of the giant multi-national drug companies; consequently, pharmaceutical patents are usually obtained first in the United Kingdom or the United States of America and thereupon registered around the world. The following comments are offered with relevance to overseas litigants:

A. Security for Costs. Some jurisdictions provide that when an overseas plaintiff seeks to invoke the process of their courts, a local defendant is entitled to seek security for costs; the theory is that an unsuccessful plaintiff might force the local defendant to incur large costs and then retreat from the scene, leaving the defendant with no ability to recoup any costs awarded by the court.

The size and wealth of the plaintiff in its own country is not necessarily a guide; some such plaintiffs can be irresponsible; resort to reciprocal enforcement of judgments procedure (where applicable) can be difficult and costly. Consequently, as a rule of practice, a serious overseas plaintiff will have to be prepared to provide security for costs as a condition of invoking the jurisdiction of the courts in a country where it has no assets. For genuine plaintiffs, this requirement should cause no difficulty.

B. Reciprocal Enforcement of Judgments. Most former British colonies have a provision for the reciprocal enforcement of judgments obtained in other Commonwealth countries. This legislation stemmed from what has become known in England as the "Greer Report" in 1932, which considered the topic of reciprocal enforcement of foreign judgments. As a result of that report, the common law on reciprocity of judgments was codified; a model Act was exported to most of the colonies which is still in force in many now independent nations.

The effect is that, for those countries within the scheme, a judgment obtained in country A can be registered in country B; this is usually done where a defendant against whom there is a judgment in country A has no assets in country A but has assets in country B. In Federal countries where each state has its own domestic law and court system, a separate Act applies in each state (for example, Australia).

A good example of the Act in practice is to be found in the litigation between Nelson Bunker Hunt and British Petroleum (BP). The High Court in England held

that Hunt was liable to BP for damages assessed as many millions of U.S. dollars. Hunt had no assets in the United Kingdom; he operated from the state of Texas, U.S.A. Enforcement of the judgment there would have been fraught with procedural difficulties.

Hunt, however, did have assets in several Australian states and in New Zealand—principally stud farms. After judgment had been given in the English High Court and a stay of execution pending appeal refused, registration of the English judgment was effected in several Australian states and in New Zealand. Eventually, Hunt's appeals to the Court of Appeal and the House of Lords failed. A fuller account of the saga can be found in *Hunt v. BP Exploration (Libya) Ltd.*⁷⁵

The report in the New Zealand case refers to cognate proceedings in Australia, including the decision of the High Court of Australia in *Hunt v. BP Exploration (Libya) Ltd.*⁷⁶ where it was held that the fact that the foreign judgment or the issues involved in the foreign litigation had no connection with the place where the judgment was to be registered was irrelevant to the question of whether the Court could register the judgment under the Reciprocal Enforcement of Judgments Act. In summary, the *Hunt* case demonstrates the usefulness of the Greer Report procedure.

Commonwealth countries in particular should consider seriously using this procedure as widely as possible. It need not extend to Commonwealth countries only, although there is probably a reluctance to extend it to non-common law countries. The Act forbids reciprocal enforcement of judgments for taxes or where the defendant has not acceded to the jurisdiction.

Common law principles still apply to the recognition of foreign judgments of Courts not encompassed by the scheme of the Act. However, the difficulties of enforcement are much greater and require the issue of an action. For practical purposes, enforcement of a judgment in a jurisdiction which does not participate in the Act is probably not worth the effort.

In the *Hunt* case, a *Mareva* injunction was also granted; this prevented Hunt from disposing of his New Zealand assets. This type of injunction, developed by the English Courts in a similar way to the *Anton Piller* jurisdiction, enables the Court to grant an interlocutory injunction prior to trial so as to prevent a defendant, absent from the jurisdiction, from disposing of his assets within the jurisdiction.

The *Mareva* injunction approach has been developed considerably, particularly in England, Australia and New Zealand; it usually applies to commercial disputes rather than to intellectual property cases. However, it can conceivably have application to intellectual property cases; for example, against a defendant using one country as a temporary staging post for piratical activities.

⁷⁵ [1980] 1 N.Z.L.R. 104.

⁷⁶ (1980) 144 C.L.R. 565.

Conclusion

Other important and current aspects of remedies in intellectual property law such as the following have not been examined:

(a) "character merchandising" where the problems were expanded by the House of Lords in the "*Holly Hobbie*" case, i.e., *re American Greetings Corporation's Application*⁷⁷; or

⁷⁷ [1984] 1 All E.R. 426. See also the note in 58 A.L.R. 420 on the decision.

(b) the rights (if any) of employees;⁷⁸ or
(c) the so-called innominate tort of "unlawful interference with trade."⁷⁹

However, in this somewhat discursive way, I have endeavored to touch upon most aspects of enforcement of intellectual property rights and to demonstrate certain problems by actual examples.

⁷⁸ D.G. Poole, "Employees' Rights in Respect of Patent, Design & Copyright Material," 1979, 4 *Auckland University Law Review*, 353.

⁷⁹ See, for example, discussion by New Zealand Court of Appeal in *Van Camp Chocolates Ltd. v. Aulsebrooks Ltd.* [1984] 1 N.Z.L.R. 354.

Books and Articles

Book Reviews

La protection des produits semi-conducteurs, Institut de recherche en propriété intellectuelle Henri-Desbois, Librairies Techniques, Paris, 1988. — 142 pages.

This publication contains the proceedings of a colloquium organized by the Henri-Desbois Institute for Research in Intellectual Property (*Institut de recherche en propriété intellectuelle Henri-Desbois—IRPI*) in Paris on December 15, 1987, on the protection of intellectual property in respect of integrated circuits. The timing of the colloquium was most opportune, the colloquium having been held a little over one month after the promulgation of the new French Law of November 4, 1987, on the Protection of Topographies of Semiconductor products and on the Organization of the National Institute of Industrial Property. The colloquium was chaired by Mr. Jean Foyer, Deputy, who had played an important role in the adoption of this Law by the National Assembly.

Four papers, which had been presented at the colloquium, are reproduced in the publication:

- The New French Regime, by Mr. J. Dragne, Assistant Director General of the National Institute of Industrial Property (Institut national de la propriété industrielle—INPI);
- The Protection of Semiconductors Abroad: the Situation in EEC Countries by Mrs. M. Langer of the Commission of the European Communities;
- The Protection of Semiconductors Abroad: the Situation in the United States and Japan, by Mr. J. Fort, Patent Counsel; and
- The Response in Practice, by Mr. P. Guilguet, Member of the *Conseil supérieur de la propriété industrielle*.

Each of the papers contains a clear and comprehensive exposition of its subject matter. Together, the papers constitute an important contribution to the understanding of the present situation of the international market for semiconductor products, the reasons why it was deemed necessary to legislate specifically with respect to the protection of layout-designs of integrated circuits and the operation of some of the principal legislative texts which had, by the date of the colloquium, emerged, namely, the Semiconductor Chip Protection Act of 1984 of the United States of America, the 1985 Act Concerning the Circuit Layout of a Semiconductor Integrated Circuit of Japan and the Council Directive of December 16, 1986, of the European Communities on the Legal Protection of Topographies of Semiconductor Products, as well as the new French Law mentioned above.

The papers reproduce some useful and interesting statistical information concerning both the international market for semiconductor products, and on registrations of layout-designs under the American and Japanese Laws. In respect of the international market for semiconductor products, it is indicated that exceptional growth has occurred and is likely to continue. On one estimation given (page 6), the world market for semiconductor products was valued at 17 billion US dollars in 1983, rose to 31 billion dollars in 1987, and was expected to reach 70 billion US dollars in 1992.

Of particular interest in respect of the practice which had emerged from the experience in the United States is a survey of 500 registrations conducted by the Mask Work Department of the Library of Congress, which indicated that in only 6.6% of cases were parts of mask works withheld from publication in order to protect confidential information.

The publication also contains a number of useful annexes, reproducing several major legislative texts on the protection of intellectual property in respect of integrated circuits, the report of the third session of the WIPO Committee of Experts on Intellectual Property in Respect of Integrated Circuits and a bibliography.

In this one, relatively small publication the Henri-Desbois Institute for Research in Intellectual Property has succeeded in bringing together some valuable analytical treatments of the protection in intellectual property in respect of integrated circuits, as well as major source materials.

News Items

DOMINICA

*Attorney-General,
Office of the Attorney-General and Minister
for Legal Affairs, Immigration and Labour*

We have been informed that Mr. Brian G.K. Alleyne has been appointed Attorney-General, Office of the Attorney-General and Minister for Legal Affairs, Immigration and Labour.

FIJI

*Administrator-General,
Administrator-General's Department*

We have been informed that Mr. Aminiasi Katoni-vualiku has been appointed Administrator-General, Administrator-General's Department.

JAPAN

*Director General,
Japanese Patent Office*

We have been informed that Mr. Fumitake Yoshida has been appointed Director General of the Japanese Patent Office.

SYRIA

*Director of Industrial and Commercial Property,
Directorate of Industrial and Commercial Property*

We have been informed that Mr. Riad Mitri has been appointed Director of Industrial and Commercial Property, Directorate of Industrial and Commercial Property.

TUVALU

*Secretary, Commerce and Natural Resources,
Department of Agriculture*

We have been informed that Mr. Saufatu Sopoaga has been appointed Secretary of Commerce and Natural Resources, Department of Agriculture.

ZIMBABWE

*Controller of Patents, Trade Marks
and Industrial Designs*

We have been informed that Mr. Naboth Mvere has been appointed Controller of Patents, Trade Marks and Industrial Designs.

Calendar of Meetings

WIPO Meetings

(Not all WIPO meetings are listed. Dates are subject to possible change.)

1988

- September 12 to 19 (Geneva)** **IPC (International Patent Classification) Committee of Experts (Seventeenth Session)**
- The Committee will adopt the final amendments, as well as the revised Guide, to the fourth edition of the International Patent Classification (IPC) and decide on the policy for the revision work during the next (sixth) revision period (1989-93).
Invitations: States members of the IPC Union and, as observers, certain organizations.
- September 14 to 16 (Geneva)** **WIPO Worldwide Forum on the Impact of Emerging Technologies on the Law of Intellectual Property**
- The Forum will consider the impact of new technology on intellectual property law, with special emphasis on biotechnology, computer technology, the new technology for the recording of sounds and images, new broadcasting technology (for instance by direct broadcasting satellite) and new technology for transmission of programs by cable.
Invitations: States members of WIPO, the Paris Union or the Berne Union, certain organizations and the general public.
- September 19 to 23 (Geneva)** **Consultative Meeting on the Revision of the Paris Convention (Fifth Session)**
- The meeting will deal with Articles 5A (Patents and Utility Models: Importation of Articles; Failure to Work or Insufficient Working; Compulsory Licenses), *Squater* (Patents: Importation of Products Manufactured by a Process Patented in the Importing Country) and *10quater* (Geographical Indications and Trademarks, etc.), and possibly other Articles on the program of the Diplomatic Conference.
Invitations: Selected governments. No observers.
- September 22 and 23 (Geneva)** **Permanent Committee on Industrial Property Information (PCIPI) (Second Session)**
- The Committee will review the work done on the tasks of the program during the first nine months of 1988. It will start to work on the elaboration of a medium-term program for the PCIPI and of a global policy for, and the orientation of, the work of the PCIPI during the 1990-91 biennium.
Invitations: States and organizations members of the Committee and, as observers, certain other States and organizations.
- September 26 to October 3 (Geneva)** **Governing Bodies of WIPO and of Some of the Unions Administered by WIPO (Nineteenth Series of Meetings)**
- The WIPO General Assembly will consider the establishment of an International Register of Audiovisual Works. The WIPO Coordination Committee and the Executive Committees of the Paris and Berne Unions will, *inter alia*, review and evaluate activities undertaken since July 1987 and prepare the draft agendas of the 1989 ordinary sessions of the WIPO General Assembly and the Assemblies of the Paris and Berne Unions.
Invitations: As members or observers (depending on the body), States members of WIPO, the Paris Union or the Berne Union and, as observers, certain organizations.
- October 24 to 28 (Geneva)** **Committee of Experts on Biotechnological Inventions and Industrial Property (Fourth Session)**
- The Committee will examine possible solutions concerning industrial property protection of biotechnological inventions.
Invitations: States members of WIPO or the United Nations and, as observers, certain organizations.
- November 7 to 22 (Geneva)** **Committee of Experts on Intellectual Property in Respect of Integrated Circuits (Fourth Session)**
- The Committee will examine a revised version of the draft Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits and studies on the specific points identified by developing countries.
Invitations: States members of WIPO or the Paris Union and, as observers, other States members of the Berne Union, as well as intergovernmental and non-governmental organizations.

- November 7 to 22 (Geneva)** **Preparatory Meeting for the Diplomatic Conference on the Adoption of a Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits**
- The Preparatory Meeting will decide what substantive documents should be submitted to the Diplomatic Conference—scheduled to be held in Washington, D.C. in May 1989—and which States and organizations should be invited to the Diplomatic Conference. The Preparatory Meeting will establish draft Rules of Procedure of the Diplomatic Conference.
- Invitations:* States members of WIPO or the Paris Union and, as observers, intergovernmental organizations.
- December 5 to 9 (Geneva)** **Madrid Union: Preparatory Committee for the Diplomatic Conference for the Adoption of Protocols to the Madrid Agreement**
- This Committee will make preparations for the diplomatic conference scheduled for 1989 (establishment of the list of States and organizations to be invited, the draft agenda, the draft rules of procedure, etc.).
- Invitations:* States members of the Madrid Union and Denmark, Greece, Ireland and the United Kingdom.
- December 12 to 16 (Geneva)** **Committee of Experts on the Harmonization of Certain Provisions in Laws for the Protection of Inventions (Fifth Session; Second Part)**
- The Committee will continue to examine a draft treaty on the harmonization of certain provisions in laws for the protection of inventions.
- Invitations:* States members of the Paris Union and, as observers, States members of WIPO not members of the Paris Union and certain organizations.
- December 12 to 16 (Geneva)** **Executive Coordination Committee of the PCIPI (Permanent Committee on Industrial Property Information) (Third Session)**
- The Committee will review the progress made in carrying out tasks of the Permanent Program on Industrial Property Information for the 1988-89 biennium. It will consider the recommendations of the PCIPI Working Groups and review their mandates.
- Invitations:* States and organizations members of the Executive Coordination Committee and, as observers, certain organizations.
- December 19 (Geneva)** **Information Meeting for Non-Governmental Organizations on Intellectual Property**
- Participants in this informal meeting will be informed about the recent activities and future plans of WIPO in the fields of industrial property and copyright and their comments on the same will be invited and heard.
- Invitations:* International non-governmental organizations having observer status with WIPO.
- 1989**
- February 20 to March 3 (Geneva)** **Committee of Experts on Model Provisions for Legislations in the Field of Copyright (First Session)**
- The Committee will work out standards in the field of literary and artistic works for the purposes of national legislation on the basis of the Berne Convention for the Protection of Literary and Artistic Works.
- Invitations:* States members of the Berne Union or WIPO and, as observers, certain organizations.
- April 3 to 7 (Geneva)** **WIPO Permanent Committee for Development Cooperation Related to Copyright and Neighboring Rights (Eighth Session)**
- The Committee will review and evaluate the activities undertaken under the WIPO Permanent Program for Development Cooperation Related to Copyright and Neighboring Rights since the Committee's last session (March 1987) and make recommendations on the future orientation of the said Program.
- Invitations:* States members of the Committee and, as observers, States members of the United Nations not members of the Committee and certain organizations.
- May 1 to 5 (Geneva)** **WIPO Permanent Committee for Development Cooperation Related to Industrial Property (Thirteenth Session)**
- The Committee will review and evaluate the activities undertaken under the WIPO Permanent Program for Development Cooperation Related to Industrial Property since the Committee's last session (May 1988) and make recommendations on the future orientation of the said Program.
- Invitations:* States members of the Committee and, as observers, States members of the United Nations not members of the Committee and certain organizations.
- May 8 to 26 (Washington, D.C.)** **Diplomatic Conference for the Conclusion of a Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits**
- The Diplomatic Conference will negotiate and adopt a Treaty on the protection of layout-designs of integrated circuits. The negotiations will be based on a draft Treaty prepared by the International Bureau. The Treaty is intended to provide for national treatment and to establish certain standards in respect of the protection of layout-designs of integrated circuits.
- Invitations:* States members of WIPO or the Paris Union and, as observers, certain organizations.

UPOV Meetings

(Not all UPOV meetings are listed. Dates are subject to possible change.)

1988

October 17 (Geneva)

Consultative Committee (Thirty-eighth Session)

The Committee will prepare the twenty-second ordinary session of the Council.

Invitations: Member States of the Union.

October 18 and 19 (Geneva)

Council (Twenty-second Ordinary Session)

The Council will examine the accounts of the 1986-87 biennium, the reports on the activities of UPOV in 1987 and the first part of 1988 and specify certain details of the work for 1989.

Invitations: Member States of UPOV and, as observers, certain non-member States and intergovernmental organizations.

Other Meetings Concerned with Industrial Property

1988

September 15 to 18 (Angers)

International League for Competition Law (LIDC): Congress

September 28 to 30 (Stockholm)

Pharmaceutical Trade Marks Group (PTMG): Conference on "A Commission of Enquiry—In Search of a System"

October 4 to 7 (Strasbourg)

Center for the International Study of Industrial Property (CEIPI): Licensing and Technology Transfer Course (second module)

November 7 to 11 (Buenos Aires)

Inter-American Association of Industrial Property (ASIPI): Congress

December 5 and 6 (Ithaca, New York)

Cornell University, Department of Agricultural Economics: Animal Patent Conference (Consideration of Applicable United States and International Law, Technicalities of Deposit Requirements, Status of Animal Science Research into Potentially Patentable Animal Types, Anticipated Impact of Patents on Livestock Breeding Sector and Production Agriculture, and Perspectives of Farmers and Those Concerned About Ethical Issues Involved)

December 5 to 9 (Munich)

European Patent Organisation (EPO): Administrative Council

