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COPYRIGHT

The law of copyright now found in the Copyright Act 1994 seeks to protect the labour, effort and skill which an author artist or creator has used in the creation of an original literary, artistic, musical or dramatic work.

Such protection is afforded in the form of a right held by the owner to prevent anyone else from copying the work or a substantial part of it in any way.

Protectable copyright can be found in "*artistic works*" such as sketches and drawings (including engineering drawings and all work of a graphic nature), "*literary works*" such as brochures, labels and computer programmes and "*dramatic works*" including dances and film scripts. Copyright may also exist in a three dimensional product in the form of a "*model*".

In the majority of cases copyright in literary and artistic works lasts for fifty years after publication or the death of the author. In the case of works which are embodied in a three dimensional industrial design however, the copyright protection period may be limited to sixteen years be measured from the date of first commercial exploitation anywhere in the world.

Unlike the protection afforded to patents and registered designs, copyright comes into existence immediately upon the fixing of a particular work in a material form. Understandably there is no system for the registration of copyright in New Zealand. Problems usually arise in practise when the author of any work relies solely on copyright protection for such author to take action against another party for breach of copyright it is necessary to show actual copying by the other party. This can, in many cases, be difficult and thus limiting to the effectiveness of copyright against the copying of knowledgeable competitors.

Copyright in a work is the property of the author of that work unless that person produces the work as an employee (in which case the

employer owns it) or where certain works are commissioned (in which case the person commissioning the work owns it). These two qualifications are however subject to any agreement between the parties. For any business involved in the production of commissioned works this is an important point. Computer programmers, architects, designers, clothing manufacturers and so on will generally lose ownership of the valuable asset which is copyright, as in the absence of any contractual provisions, the person paying for the commissioned work will retain the ownership.

The owner of copyright has the exclusive right to copy the work, issue copies to the public, perform, play, show, broadcast or make adaptations of the work. Others can only do these things with the licence of the copyright owner. Breaches of copyright can be remedied by the taking of injunctive proceedings to prevent continued breach. In such cases damages may be awarded based on account of profits made by the breach. Where the infringement is flagrant the copyright owner has a choice between an account of profits or damages to the value of the product taken, produced, or sold with the option of additional damages if that figure is not enough to compensate for the breach.

Copyright is a valuable asset and should be protected. Similarly you guard against the possibility of breach of copyright which may be a significant potential liability.

PATENTS

Broadly speaking patent protection may be obtained for inventions which are new and are capable of industrial application. In New Zealand it is Acts of Parliament which grant patent rights and establish a system which operates as a reward for technical innovation by granting exclusive rights for a defined period.

An invention must be new in order to obtain a valid patent. That is it should not have been used, sold, published or otherwise known in New Zealand by the applicant or any third party prior to the date of application. Secrecy of development is therefore paramount.

Whenever a new invention has been made a Patent Attorney should be consulted. They will generally recommend that a search be conducted at the New Zealand Patent Office to firstly ascertain if the working of the invention would infringe any existing New Zealand patent and secondly to ascertain if the invention is novel over and above what has prior published in accepted New Zealand patent specifications.

If the above two tests are satisfied an application for a patent may be filed. This can usually be accompanied either by a provisional specification which broadly describes the invention or a complete specification with claims which specifically describe and define the invention. Patent Attorneys will generally recommend the filing of this provisional specification initially as it allows for the invention to be developed improved and modified within the bounds of the broad description during the subsequent twelve months. Throughout the twelve month period the inventor can test the market potential and negotiate with manufacturers and marketers without damaging their rights under a subsequently granted patent.

A provisional application will also allow any corresponding overseas applications to be deferred until the end of the twelve month period. Generally most important overseas countries will recognise the original New Zealand filing date provided that overseas applications are filed before its anniversary. This provides the inventor with an effective springboard to protect the invention world wide.

The normal term of the patent right known as the *Letters Patent* is sixteen years from the date of filing of the complete specification provided renewal fees are paid before the end of the fourth year and every three years after.

For a Patent Attorney to commence searching and applying for a patent a full description of the novel and important features of the invention with clear sketches or photographs and a working model if available are required.

REGISTERED DESIGNS

Protection for the design of a wide range of products is available in New Zealand under the Registered Designs Act.

This statute enables protection for novel features of shape, configuration, pattern or ornament applied to an article by an industrial process. The test of the novelty of the design is that the features protected must appeal to and be judged solely by the eye. Thus a registered design can be obtained for an article which only looks different from that which has been made before.

Conversely a method or principle of construction or features of shaping configuration which are dictated solely by the function of the article cannot be protected. A patent application may be appropriate however.

The law relating to registered designs provides protection against imitations that look substantially the same as the original. Unlike the Copyright Act actual copying does not need to be shown. This is clearly the practical advantage in applying for and enforcing a registered design.

The design must be new in order to obtain a valid registered design. It should not have been used, sold, published or otherwise made known in New Zealand by the applicant or any third party prior to the date of application. Once a design has been made therefore it should be kept a secret. Again the normal course of action is to consult a patent attorney who will conduct searches at the New Zealand Designs Office. If the design is registrable an application will be lodged and examined and if accepted registered for a period of five years renewable for two further periods of five years. If filed within six months of the New Zealand filing date overseas applications can also claim priority from that date.

TRADE MARKS

Trade marks may comprise any word, brand, label, symbol, device or logo which serves to distinguish the particular goods or services of one party from the goods or services of another party. Its principle function therefore is to show the origin or pedigree of goods or services.

Any trade mark which is selected for goods or services should be distinctive. That is the trade mark should be recognised by the purchasing public as associated with the particular business goods and services.

Trade marks are protected in New Zealand by the Trade Marks Act which maintains a register at the Trade Mark Office in relation to specific classes of goods or services. More often than not it will be necessary to register the particular trade mark under various registrable classes. Once a trade mark is selected it is imperative to ensure that no other party has registered or applied to register a conflicting trade mark. Patent Attorneys can search the official trade mark office records at to the availability of the mark and its registrability.

Trade mark protection is strongly recommended. The benefits of registration are that it can be used to prevent any competitor using the same or similar trade mark in New Zealand; it can prevent registration of identical or a confusingly similar mark in respect of the same goods or services; it may prevent incorporation of a company name with an identical or substantially identical name to your registered trade mark.

A trade mark registration is a tangible and transferable asset. As a form of intellectual property it can be very valuable.

Any new business wishing to establish a trade name for itself should be aware that the Companies Office no longer searches the Trade Mark Office records and as such protection of your chosen name cannot be guaranteed simply by the incorporation of a company.

The onus is now clearly on the applicants for the company to ensure that there is no conflict with a registered trade mark.

COMMON LAW RIGHTS

Clearly the registration of the various types of intellectual property associated with your business and the sale of its goods and services to the public should be protected where possible by the various statutes discussed above.

Where protection has not been obtained the common law can in certain circumstances provide protection from imitators of your business.

The law of "passing off" seeks to punish those businesses which attempt to profit from the goodwill generated by another businesses "get up" (ie. name, logos, systems). Where it can be shown that another business has designed its public persona and such persona is deceptively or confusingly similar to an existing persona then an action in passing off may be available.

General common law principles will prevent such an action being taken where the business claiming infringement has suffered no damage. However the imitator must be shown to have "stolen" some of the original businesses clientele and thus turnover through its imitation. For example similar businesses in Auckland and Dunedin would have difficulty claiming that the one was affecting the others business. Two similar businesses in the same city with a high profile could take a claim against each other however. In each case, the Courts are concerned with actual, rather than possible damage and any business claiming passing off must show that its business get up was in existence prior to the arrival of the imitator.

In certain circumstance the remedies available to the original business are injunctions to prevent the trading of the other business and potentially damages for loss of profit.

Contact Ross Fanthorpe for assistance with all Intellectual Property queries.

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