

## HEARINGS TECHNICAL FOCUS GROUP

2 October 2018

10.30am-1.00pm

MBIE Building, 15 Stout Street

Room G.07

### Present

Heidi Benson (IPONZ), Matthew Currie (IPONZ), Pip Gray (IPONZ), Jacinta Rose (IPONZ) Nick Holmes (IPTA), Kate McHaffie (AJ Park), Thomas Huthwaite (Baldwins), Ian Finch (James & Wells), Dan Winfield (Duncan Cotterill), Sheana Wheeldon (NZLS), Elena Szentivanyi (NZIPA), Greg Arthur (NZLS), Marcus Caulfield (IPTA).

### Invitees for this meeting

Tanya Carter (IPONZ), Simon Pope (IPONZ), Mark Luiten (IPONZ), Sam Ting (IPONZ), Jacqueline Sheppard – Business Law Policy (MBIE)

### Apologies

Barbara Sullivan (NZIPA), Richard Watts (Simpson Grierson), John Landells (IPTA), Andrew Brown QC (NZLS), Clive Elliot QC, Gary Williams (Barrister)

Simon Pope (IPONZ) left the meeting at 11.45am.

### Minutes

December 2017 Minutes **agreed** / not agreed.

### Actions from previous meeting

No.	Action	Comment
1	Hearings Office to arrange a farewell function for Assistant Commissioner Popplewell, and invite HTFG members.	This was successfully completed on 12 March 2018.
2	Update and publish the pre-hearing directions.	This is now online with minor updates.
3	Draft proposed content for Hearings Office letters advising of mediation as an option, and mediation web content, for further review by	It was noted that this has not yet started due to staffing changes, and will roll over to next meeting actions.

	HTFG members.	
4	Length of submissions – Hearings Office to look at Court of Appeal requirements, and discuss further with Assistant Commissioners.	It was noted that this has not yet started due to staffing changes, and will roll over to next meeting actions.
5	Update practice guidelines to provide discretionary deadlines for pleading amendments to reduce delays for minor amendments.	This has been updated.

## Agenda

### 1. Introductions

- 1.1 Chairperson thanked attendees for joining and round table introductions were completed.

### 2. Hearings Office update

- 2.1 A brief staff update was provided, including: Simon Gallagher is acting IPONZ National Manager, Rebecca James is acting Trade Marks Manager, Simon Pope has been appointed to Patents and Design Manager, and Heidi is currently Acting Hearings Manager.
- 2.2 Victoria Casey QC is currently doing her last hearings as an Assistant Commissioner, with her last hearing being at the end of November.
- 2.3 The review of the Plant Variety Rights Act 1987 and Disclosure of Origin requirements for Patents is now open to public consultation until 5pm on 21 December 2018.
- 2.4 A fix is required on the IPONZ Case Management System to allow Applicants for Revocation to file applications under the 2013 Act, as it currently only allows applications to be filed within 12 months of the date of grant (due to s 42(1) of the 1953 Act, which no longer applies).
- 2.5 There was an issue with the payments system this week, which affected a couple of oppositions.

### **3. IP Omnibus Bill & policy update**

- 3.1 Jacqueline Sheppard presented an update on the Omnibus Bill which includes daisy chaining and divisionals. Discussion documents will be released for feedback early next year.
- 3.2 A Copyright issues paper is intended to be released by the end of the year, and will likely be broken down into sections as it will be a large paper.
- 3.3 The second regulatory systems bill will hopefully be going to the house this year, with a submissions call early next year.

### **4. Costs Schedule Review**

- 4.1 Matt Currie provided an update on the Costs Schedule Review, and presented on the results of the consultation, which received one submission.
- 4.2 The points of the submission were discussed, and responses to the submission were considered and agreed. **Attached** to these minutes is a Summary of the Submissions on the Review of the Schedules of Costs for IPONZ and Trade Mark & Patent Hearings.
- 4.3 It was agreed to proceed with the proposed costs schedule, and that IPONZ would run with two cost schedules with the new schedule taking effect on proceedings commenced from a certain date. This implementation of the costs schedule, and effective date would be communicated by a newsletter. The TFG approved this plan.

### **5. Patent examination hearings**

- 5.1 IPONZ noted that requests for patent examination hearings had doubled since January 2017, and that this trend would likely continue.
- 5.2 It was opened to the attendees to provide input and feedback on patent examination hearings, suggestions included:
  - In-house hearings officers with patent expertise, this is the process in Australia.
  - Relying on the examiner during and after hearings, this is the process in the United Kingdom.

- Using an Australian Hearings/Patents Assistant Commissioner, although it was agreed that this would not be suitable due to the slight difference in laws.
- IPONZ recruiting a casual Senior Patent Attorney who has the technical expertise. It was noted that confidentiality would be an issue though.
- It was agreed that it is useful to have input from technical examiners as the Assistant Commissioners do not always have the technical expertise.
- Having a pre-hearing briefing/case management conference between the Assistant Commissioner, Applicant, and patent examiner to identify the core issues and to discuss technical matters of the patent.

5.3 Concerns were raised about having the examiner engaging in the patent examiner hearing process, which included:

- The examiner being too entrenched in the case, having worked on it for a long period of time and now being involved in the hearing. It was agreed that this could definitely be an issue.
- Full transparency would be needed around the applications. The examiner would be purely there for the technical aspects.
- There should be clear guidelines and parameters around the examiner's role, and input.

5.4 It was agreed that IPONZ will look into the structure and experience in the role that would be needed. The Hearings team will come up with a proposed structure and look to receive feedback at the next TFG meeting.

## **6. Draft Amendment Guidelines for patent proceedings**

- 6.1 The draft amendment guidelines were reviewed and discussed. It was agreed that the idea of having a guideline was useful, and is clear on rights of parties to request a hearing.
- 6.2 The guidelines are required to ensure that there is a consistent process across patent proceedings, and to align with procedures under the new Act.
- 6.3 The question was raised whether claim amendments should always be accompanied by a counterstatement. It was agreed that it could be circumstantial,

and that it should be allowable to file claim amendments first, and then file a counterstatement if required.

- 6.4 It was agreed that the status of proposed claim amendments should be made clearer in situations where claim amendments are refused.
- 6.5 It was agreed that the language of the guidelines should also be amended so that they are indicative of the process and decision making considerations, rather than absolute.
- 6.6 IPONZ will re-word the guidelines based on feedback, and re-circulate for final comment and approval.

## **7. Patent re-examination / public interest decisions**

- 7.1 The process for public interest decisions under the 1953 Act were discussed, and whether there should be a different process when a proceeding is withdrawn under the 2013 Act, or whether re-examination could apply to such proceedings under both Acts.
- 7.2 IPONZ noted that when the 2013 Act was drafted, it was intended that the Commissioner establish a practice of re-examining applications where an opponent/applicant for revocation had withdrawn, and evidence such as prior art had been filed – instead of a public interest decision.
- 7.3 There were concerns regarding the patent needing to go back through re-examination, and a lack of support for this process.
- 7.4 It was agreed that further consideration should be given, and in the meantime to continue with public interest decisions for both Acts.
- 7.5 There was also support for making it clearer as to what should occur when an Opponent/Applicant for Revocation withdraws from the proceeding, for example, in an opposition whether the application should go to grant, and whether there is still a need for a public interest decision.
- 7.6 IPONZ to investigate further, and also discuss with MBIE policy on possible amendments to the regulations.

## **8. Statement of Case timeframes under 2013 Act**

- 8.1 Heidi thanked the TFG members for their feedback, and noted that the guidelines had been updated.

- 8.2 It was agreed that it would be beneficial for an opponent to have more time to file a Statement of Case, and to be able to request an extension.
- 8.3 IPONZ will discuss with MBIE policy to propose an amendment to the regulations, to allow extensions of time to file a Statement of Case.

## **9. Other issues for discussion**

- 9.1 Update to Trade Mark Opposition Guidelines – Grounds – Barbara Sullivan – it was noted that it refers to the onus being on the Opponent instead of the Applicant. It was agreed that the guidelines will be changed accordingly.
- 9.2 Issues with parties not copying the other side into documents submitted in a proceeding case e.g. writing to IPONZ but not sending a copy of their letter to the other party – Elena Szentivanyi. Possible solutions were discussed including automatic system notifications when a response is filed. There was also support for filing with IPONZ to constitute service, especially for evidence.

## **10. Any other business?**

- 10.1 A question was raised around delays from the IPONZ Hearings Office. Heidi responded that this is due to a lack of resources at the moment, and recruitment is a priority. IPONZ will also be looking to recruit a Principal Hearings Officer.
- 10.2 Tanya Carter requested for any topics of interest and valuable session ideas on providing events organised by the IPONZ Stakeholder Engagement team. Tanya agreed that she would send a follow up email to the attendees.
- 10.3 Kate McHaffie asked whether any progress had been made around the use of Māori Tikanga in hearings. It was noted that no further progress had been made, but that IPONZ were open to this, and has an outline structure for use in hearings. The processes used in the High Court were discussed, but require clarification. It was agreed that this would be an agenda item at the next meeting.

## **11. Next meeting? – April/May 2019?**

- 11.1 Next meeting was agreed for April 2019.
- 11.2 Meeting concluded at 12.00pm.

## Actions for next meeting

No.	Action	Responsible
1	Draft proposed content for Hearings Office letters advising of mediation as an option, and mediation web content, for further review by HTFG members.	IPONZ
2	Length of submissions – Hearings Office to look at Court of Appeal requirements, and discuss further with Assistant Commissioners.	IPONZ
3	Amended costs schedules to be implemented, and newsletter sent to clients.	IPONZ
4	IPONZ to draft a suggested structure for examination hearings, and look to receive feedback at the next meeting.	IPONZ
5	Update draft Amendment Guidelines for patent proceedings, and recirculate for final comments / approval.	IPONZ
6	Patent re-examination and public interest decisions to be considered further & discussed with MBIE policy.	IPONZ
7	IPONZ to liaise with MBIE policy regarding amendment to the Patents Regulations 2014 to allow for an extension of time to file a Statement of Case.	IPONZ
8	Trade Mark <u>Opposition Guidelines</u> to be updated.	IPONZ
9	IPONZ to draft a proposed practice on Māori Tikanga in IPONZ hearings, for discussion at the next meeting.	IPONZ
10	Tanya Carter to contact attendees regarding possible topics / events to be organised by the IPONZ Stakeholder Engagement team.	IPONZ
11	Next meeting to be organised for <b>April 2019</b>	IPONZ
12	Minutes for meeting to be circulated for approval by <b>week ending 12.10.18</b>	IPONZ



**NEW ZEALAND  
INTELLECTUAL  
PROPERTY OFFICE**

# **Summary of Submissions on the Review of the Schedules of Costs for IPONZ Trade Mark & Patent Hearings**

**September 2018**



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

New Zealand Government

## Review of Schedule of Costs for IPONZ Hearings

In IPONZ trade mark proceedings the Commissioner may award costs to a party that the Commissioner considers reasonable. The Commissioner's standard practice is to order the unsuccessful party in proceedings to pay costs to the successful party in accordance with a schedule of costs.

IPONZ has carried out a review of its schedule of costs for trade mark and patent hearings, in collaboration with the Hearings Technical Focus Group and IPONZ's Assistant Commissioners.

This review found that the schedule of costs for IPONZ hearings needs to change. However, the Cost awards would continue to follow the standard practices and principles given on our [Trade Mark Hearings](#) and [Patent Hearings](#) pages.

The proposed changes to the schedules were set out in the discussion documents– [Review of Schedule of Costs for IPONZ Trade Mark Hearings](#) and [Review of Schedule of Costs for IPONZ Patent Hearings](#).

### The purpose of this document

The purpose of this document is to provide people interested in the review of the Schedule of Costs a short summary of the submissions received during public consultation, and IPONZ's responses to those submissions.

The proposed changes to the Schedule of Costs were released for public consultation on 3 August 2018. Consultation closed on 31 August, and only one submission was received.

### Submission received

The submission was received from Ellis Terry, and set out several points to consider, these are summarised within this document.

## IPONZ Hearings Office Costs Schedules Review – Overview of Submissions Received

Submission Comments	IPONZ Comments
<p>The schedule of costs in the discussion documents includes no discussion of any applicable principals for determining costs. High Court Rule 14.2 is referred to for comparison purposes.</p>	<p>The current practice guidelines <a href="#">Trade Mark Hearings Costs Awards</a> and <a href="#">Patent Hearings Costs Awards</a> – set out the principles that are applied in IPONZ Hearings.</p>
<p>The costs schedule is a “one size fits all approach” – there is great variation between the actual costs incurred by parties due to the varying complexity of cases, and it is unfair to apply a fixed scale irrespective of size or complexity. No principle is set out for scaling for size or complexity.</p>	<p>The schedule of costs is not intended to reflect the ‘actual costs’ of the parties. The practice guidelines referred to above, also confirm that the Commissioner may depart from the standard schedule of costs, for example due to conduct of a party. Any award of costs above the scale is considered on a case by case basis.</p>
<p>The costs set out in the schedule are too low, and are probably only about 10% of the actual costs incurred, compared to 40% for High Court proceedings. There is no rationale as to why such a low percentage is considered appropriate.</p> <p>Much higher awards are made in other tribunals, for example, the Human Rights Tribunal.</p>	<p>The purpose of the IPONZ tribunal is to provide members of the public with more accessible and cheaper forum than the courts for hearing IP disputes. It is considered that increasing costs to be equivalent or close to those of the High Court would be setting the costs too high.</p> <p>The <a href="#">Hearings Technical Focus Group Minutes - March 2017</a> provide more information in support of this approach.</p> <p>The current practice guidelines (referred to above) also confirm the purpose of costs in IPONZ proceedings.</p>
<p>The submission supported costs being a means to disincentivise bad conduct, and submitted the proposed costs provided limited means to encourage good conduct in patent proceedings.</p>	<p>Noted – this is referred to in our practice guidelines above, and is also related to indemnity/increased costs that may be awarded.</p>

<p>There should be guidelines setting out when indemnity costs may be applied.</p>	<p>The <a href="#">Trade Mark Hearings Costs Awards</a> practice guidelines already include general information regarding indemnity costs.</p> <p>The <a href="#">Patent Hearings Costs Awards</a> practice guidelines are not as clear, and we will look to update these guidelines for consistency.</p> <p>It is noted that such costs are always to be considered on a case by case basis, and are only awarded in exceptional circumstances.</p> <p>See for example, <i>ADNS International Pty Ltd v Manupack Pty Limited</i> [2016] NZIPOTM 7 (20 April 2016), and <i>Parsons Music Limited v Julius Blüthner Pianofortefabrik GmbH</i> [2017] NZIPOTM 21 (25 July 2017).</p>
<p>There is no allowance made for disbursements such as travel disbursements, as are awarded in the High Court and Human Rights Tribunal.</p>	<p>No there is not – IPONZ’s position is that other expenses such as travel and accommodation should not be included in cost awards.</p> <p>This is reflected in the <a href="#">Trade Mark Hearings Costs Awards</a> practice guidelines, but not the <a href="#">Patent Hearings Costs Awards</a> practice guidelines. The Patent guidelines will be updated for consistency.</p> <p>The costs schedule review was based on the scale costs for the steps in proceedings, and this kind of disbursement was not within the scope of the review.</p>