

House of Representatives, 25 August 1994.

Words struck out are shown in italics within bold round brackets, or with black rule at beginning and after last line; words inserted are shown in roman underlined with a single rule, or with single rule before first line and after last line.

Hon. D. A. M. Graham

LAYOUT DESIGNS

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A BILL INTITULED

An Act to provide for the protection of layout designs for integrated circuits

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

1. Short Title and commencement—(1) This Act may be cited as the Layout Designs Act 1994. 5

(2) This Act shall come into force on the 1st day of January 1995.

PART I

INTERPRETATION AND APPLICATION 10

2. Interpretation—In this Act, unless the context otherwise requires—

“Commercially exploited” has the meaning set out in section 3 of this Act:

“Copyright Tribunal” means the Copyright Tribunal established under Part V of the Copyright Act 1962: 15

“Crown”—

(a) Means Her Majesty the Queen in right of New Zealand; and

(b) Includes a Minister of the Crown, a department, and an Office of Parliament; but 20

(c) Does not include—

(i) A Crown entity; or

(ii) A State enterprise named in the First Schedule to the State-Owned Enterprises Act 1986: 25

“Crown entity” has the same meaning as in section 2 (1) of the Public Finance Act 1989:

“Department” means any department or instrument of the Government, or any branch or division thereof; but does not include a body corporate or other legal entity that has the power to contract, the Public Trust Office, or the Export Guarantee Office: 30

“Eligible country” means a country, other than New Zealand, declared by Order in Council made under this Act to be an eligible country for the purposes of this Act: 35

“Eligible layout design” means an original layout design—

- (a) The maker, or in relation to a jointly made layout design any one or more of the makers, of which was, at the time the layout design was made, an eligible person; or
- (b) That was first commercially exploited in New Zealand or in an eligible country:

“Eligible person” means—

- (a) A New Zealand citizen or a person domiciled or resident in New Zealand:
- (b) A body corporate incorporated in New Zealand:
- (c) A citizen of an eligible country or a person who is domiciled or resident in an eligible country:
- (d) A body corporate incorporated in an eligible country:

“Exclusive licence” means a licence in writing, signed by or on behalf of the owner or prospective owner of layout design rights, authorising the licensee, to the exclusion of all other persons, to do an act that, under this Act, the owner would, but for the licence, have the exclusive right to do:

“Exclusive right” has the meaning set out in **section 4** of this Act:

“Future rights” means layout design rights that will come into existence at a future time or on the happening of a future event:

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

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“Layout design” means a design, expressed or fixed in material form, of either—

- (a) The pattern of—
 - (i) A layer of an integrated circuit; or
 - (ii) A layer of material in the manufacture of an integrated circuit; or
- (b) The arrangement of the patterns of the layers of an integrated circuit in relation to one another:

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“Layout design” means the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections, of an integrated circuit; and includes such a three-dimensional disposition prepared for an integrated circuit intended for manufacture:

“Layout design rights” means the exclusive rights specified in **section 13** of this Act in relation to an eligible layout design:

“Material form”, in relation to a layout design, includes any form of storage or expression (whether visible or not) from which the layout design, or a substantial part of it, can be reproduced:

“Prospective owner” means—

(a) In relation to future layout design rights that are not the subject of an agreement of the kind referred to in **section 38(1)** of this Act, the person who will be the owner of those rights when they come into existence; or

(b) In relation to future layout design rights that are the subject of such an agreement, the person in whom those rights will vest under that subsection when they come into existence:

“Protection period” in relation to an eligible layout design, means the period beginning on the day on which the layout design was made and ending:

(a) If the layout design is first commercially exploited within ~~(10)~~ 5 calendar years after the calendar year in which the layout design was made, at the end of the tenth calendar year after the calendar year in which the layout design was first commercially exploited; and

(b) In any other case, at the end of the period of ~~(10)~~ 15 calendar years after the calendar year in which the layout design was made.

Cf. Circuit Layouts Act 1989 (Aust.), s. 5

3. Meaning of “commercially exploited”—For the purposes of this Act,—

- 5 (a) A layout design is commercially exploited if the layout design, a copy of the layout design, or an integrated circuit made in accordance with the layout design (whether or not the integrated circuit is incorporated in another thing) is—
- (i) Sold or hired or otherwise distributed by way of trade; or
 - (ii) Offered or exposed for sale or hire or other distribution by way of trade; or
 - 10 (iii) Imported for the purpose of sale or hire or other distribution by way of trade:
- (b) A copy of a layout design or an integrated circuit made in accordance with a layout design is commercially exploited if it is—
- 15 (i) Sold or hired or otherwise distributed by way of trade; or
 - (ii) Offered or exposed for sale or hire or other distribution by way of trade; or
 - 20 (iii) Imported for the purpose of sale or hire or other distribution by way of trade— and “commercially exploiting” and “commercial exploitation” have corresponding meanings.

Cf. Circuit Layouts Act 1989 (Aust.), s. 8

25 **4. Meaning of “exclusive right”**—For the purposes of this Act, the exclusive right to do an act in relation to an eligible layout design, or an integrated circuit made in accordance with an eligible layout design, includes the exclusive right to authorise a person to do that act in relation to that layout design or integrated circuit.

30 Cf. Circuit Layouts Act 1989 (Aust.), s. 9

35 **5. Meaning of “making” in relation to an eligible layout design**—(1) For the purposes of this Act, but without limiting the ordinary meaning of the term “making” in relation to an eligible layout design, a person who used a computer to make an eligible layout design is to be taken to have made the design.

(2) For the purposes of this Act, an eligible layout design is made when it is first fixed in a material form.

Cf. Circuit Layouts Act 1989 (Aust.), s. 10

40 **6. Meaning of “original”**—For the purposes of this Act, but without limiting the ordinary meaning of the word

“original” in relation to a layout design, a layout design is not original if—

- (a) Its making involved no (*creative contribution*) intellectual effort by the maker; or
- (b) It was commonplace at the time it was made; or 5
- (c) In the case of a combination of elements and interconnections that are commonplace, the combination as a whole involved no (*creative contribution*) intellectual effort by the maker.

Cf. Circuit Layouts Act 1989 (Aust.), s. 11 10

7. Licence of owner of layout design rights—For the purposes of this Act, an act is done with the licence of the owner of layout design rights if doing that act is authorised by a licence binding the owner.

Cf. Circuit Layouts Act 1989 (Aust.), s. 12 15

8. Eligible layout design includes substantial part of the design—In this Act—

- (a) A reference to doing an act (other than making) in relation to an eligible layout design includes a reference to doing that act in relation to a substantial part of the design: 20
- (b) A reference to a copy of an eligible layout design includes a reference to a copy of a substantial part of the design:
- (c) A reference to an integrated circuit made in accordance with an eligible layout design includes a reference to an integrated circuit made in accordance with a substantial part of the design. 25

Cf. Circuit Layouts Act 1989 (Aust.), s. 13

9. Reference to joint makers—Unless the context otherwise requires, a reference in this Act to the maker of an eligible layout design is, in relation to a jointly made eligible layout design, a reference to all the makers of the layout design. 30

Cf. Circuit Layouts Act 1989 (Aust.), s. 14 35

10. Application to layout designs made before commencement of this Act—This Act applies in relation to a layout design whether made before or after the commencement of this Act, but an action does not lie under Part IV of this Act in respect of any act done before that commencement in relation to the layout design, a copy of the 40

layout design, or an integrated circuit made in accordance with the layout design.

Cf. Circuit Layouts Act 1989 (Aust.), s. 7

11. Act to bind the Crown—This Act binds the Crown.

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PART II

OWNERSHIP AND NATURE OF LAYOUT DESIGN RIGHTS

12. Ownership of layout design rights—(1) Subject to this section, the person who makes an eligible layout design is the first owner of the layout design rights in the eligible layout design.

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(2) Where a layout design is made by a person under the terms of his or her employment by another person under a contract of service or apprenticeship, that other person is the first owner of the layout design rights in the eligible layout design.

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(3) Where a person commissions the making of a layout design for valuable consideration, and the layout design is made in carrying out that commission, the person who commissioned the work is the first owner of the layout design rights in the eligible layout design.

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(4) The application of **subsection (2)** and **subsection (3)** of this section to the layout design rights in a particular eligible layout design may be excluded or modified by agreement.

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(5) Where an eligible layout design has been made jointly by persons who are not all eligible persons, this section applies in relation to the design as if it had been made solely by those who were eligible persons.

Cf. Circuit Layouts Act 1989 (Aust.), ss. 16 (1)–(3), 18

13. Nature of layout design rights—The owner of the layout design rights in an eligible layout design has, during the protection period of the layout design, the following exclusive rights—

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(a) The right to copy the layout design, directly or indirectly, in a material form:

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(b) The right to make an integrated circuit in accordance with the layout design or a copy of the layout design:

(c) The right to commercially exploit the layout design in New Zealand.

Cf. Circuit Layouts Act 1989 (Aust.), s. 17

14. Infringement of layout design rights—The layout design rights in an eligible layout design are infringed by any person who, during the protection period, without the licence of the owner of the layout design rights does, or authorises another person to do, anything which, by virtue of **section 13** of this Act, is the exclusive right of the owner of the layout design rights. 5

Cf. Circuit Layouts Act 1989 (Aust.), s. 19

PART III

EXCEPTIONS

15. Innocent commercial exploitation—(1) The layout design rights in an eligible layout design are not infringed by a person who commercially exploits, or authorises the commercial exploitation of, an unauthorised integrated circuit in New Zealand, being an integrated circuit made in accordance with the layout design, if, at the time when the person acquired the integrated circuit, the person did not know, and could not reasonably be expected to have known, that the integrated circuit was unauthorised. 10 15

(2) Where a person referred to in **subsection (1)** of this section— 20

(a) Has in that person's possession or has contracted to purchase an integrated circuit that is unauthorised; and

(b) Becomes aware or could reasonably be expected to have become aware that the integrated circuit is unauthorised— 25

that subsection continues to apply to any subsequent commercial exploitation of the integrated circuit only, if the person pays to the owner or exclusive licensee of the layout design rights in the layout design such remuneration as is agreed, or as is determined by a method agreed, between the person and the owner or exclusive licensee or, in default of agreement, as is determined by the Copyright Tribunal on application made by either of them. 30

(3) In this section, "unauthorised", in relation to an integrated circuit made in accordance with an eligible layout design, means made without the licence of the owner of the layout design rights in the layout design. 35

Cf. Circuit Layouts Act 1989 (Aust.), s. 20; Law and Justice Legislation Amendment Act 1990 (Aust.), s. 43 40

16. Copying for private use—(1) The layout design rights in an eligible layout design are not infringed by the making of—

- 5 (a) A copy or copies of the layout design; or
(b) An integrated circuit in accordance with the layout design or with a copy of the layout design—
solely for the private use of the person who makes the copy or copies or integrated circuit.

10 (2) For the purposes of **subsection (1)** of this section, a copy of an eligible layout design, or an integrated circuit made in accordance with an eligible layout design or with a copy of such a layout design, is not to be taken to have been made for the private use of a person if the copy or integrated circuit is
15 commercially exploited or distributed otherwise than by way of trade to an extent that will prejudice the interests of the owner of the layout design rights in the layout design.

Cf. Circuit Layouts Act 1989 (Aust.), s. 21; Law and Justice Legislation Amendment Act 1990 (Aust.), s. 44

17. Copying for research or teaching purposes—The layout design rights in an eligible layout design are not infringed by the making of—

- 20 (a) A copy or copies of the layout design; or
(b) An integrated circuit in accordance with the layout design or with a copy of the layout design—
25 solely for research or teaching purposes.

Cf. Circuit Layouts Act 1989 (Aust.), s. 22; Law and Justice Legislation Amendment Act 1990 (Aust.), s. 45

18. Evaluation or analysis—(1) The layout design rights in an eligible layout design are not infringed by—

- 30 (a) The making of a copy or copies of the layout design for the purposes of evaluating or analysing the layout design; or
(b) The making of an original layout design based on an evaluation or analysis carried out with the use of a
35 copy or copies referred to in **paragraph (a)** of this subsection; or
(c) The making of an integrated circuit in accordance with an original layout design referred to in **paragraph (b)** of this subsection; or
40 (d) Copying or commercially exploiting in New Zealand an original layout design referred to in **paragraph (b)** of this subsection.

(2) The layout design rights in an eligible layout design are not infringed by—

- (a) The making of an integrated circuit in accordance with the layout design, or with a copy of the layout design, for the purpose of evaluating or analysing the layout design; or 5
- (b) The making of an original layout design based on an evaluation or analysis carried out with the use of an integrated circuit referred to in **paragraph (a)** of this subsection; or 10
- (c) The making of an integrated circuit in accordance with an original layout design referred to in **paragraph (b)** of this subsection; or
- (d) Copying or commercially exploiting in New Zealand an original layout design referred to in **paragraph (b)** of this subsection. 15

Cf. Circuit Layouts Act 1989 (Aust.), s. 23; Law and Justice Legislation Amendment Act 1990 (Aust.) s. 46

19. Commercial exploitation of eligible layout design previously exploited under licence—(1) Where— 20

- (a) An eligible layout design is commercially exploited, whether in New Zealand or elsewhere, by, or with the licence of, the owner of the layout design rights in the layout design; and
- (b) A person acquires a copy of the layout design, or an integrated circuit made in accordance with the layout design, as a result of that commercial exploitation— 25
it is not an infringement of the layout design rights in the layout design if the person commercially exploits the copy or the integrated circuit in New Zealand. 30

(2) Notwithstanding subsections (2) and (3) of section 10 of the Copyright Act 1962 to the extent that those subsections apply to imported articles, where the commercial exploitation of an integrated circuit containing a copy or adaptation of a work (being an integrated circuit made in accordance with an eligible layout design) is not, under this section, an infringement of the layout design rights in the layout design, that commercial exploitation is not an infringement of the copyright in that work unless the making of that copy or adaptation was an infringement of that copyright. 40

(3) Expressions used in **subsection (2)** of this section that are defined in the Copyright Act 1962 have the same meanings as they have in that Act.

Cf. Circuit Layouts Act 1989 (Aust.), s. 24

5 **20. Use for defence, security, and other purposes—**

(1) An act done by or on behalf of the Crown, or a person authorised in writing by the Chief Executive of a department, in relation to an eligible layout design is not an infringement of the rights in the layout if the act is done—

- 10 (a) For the defence or national security of New Zealand; or
 (b) For the purpose of assisting in a state of national civil defence emergency that is in force under section 50 of the Civil Defence Act 1983—

15 and, before doing the act, the Crown, or the authorised person, as the case may be, having taken all reasonable steps to do so, has been unable to obtain the licence of the owner of the layout design rights, on reasonable terms, to do the act.

(2) An authorisation may be given before or after the acts in respect of which it is given have been done.

20 Cf. Circuit Layouts Act 1989 (Aust.), s. 25 (1), (2); Law and Justice Legislation Amendment Act 1990 (Aust.), s. 47

21. Nature and scope of rights under section 20—

(1) The right to use an eligible layout design pursuant to **section 20** of this Act—

- 25 (a) Is both non-exclusive and non-assignable; and
 (b) Is limited to the purpose or purposes specified in that section; and
 (c) Is subject to the terms of any authorisation under that section; and
 (d) Does not permit sale of the layout design to the public; and
 (e) Is limited to use of the layout design predominantly in New Zealand.

35 (2) An act done under **section 20** of this Act in relation to an eligible layout design is not to be taken into account in calculating the protection period of the layout design.

40 (3) Where an exclusive licence is in force in relation to any layout design rights, (**section 20** of this Act applies) sections 20, 22, and 23 of this Act apply as if references to the owner of the layout design rights were references to the exclusive licensee.

Cf. Circuit Layouts Act 1989 (Aust.), s. 25 (6) and (7)

22. Duty to inform owner—(1) Where an act has been done under **section 20** of this Act in relation to an eligible layout design, the Crown or the Chief Executive of the department, as the case may be, shall, as soon as practicable, inform the owner of the layout design rights in the layout design that the act has been done and give the owner such information about the act as the owner from time to time requires. 5

(2) Nothing in **subsection (1)** of this section requires the Crown or the Chief Executive, as the case may be, to inform the owner or disclose information to the owner if doing so would, or might reasonably be expected to, prejudice the defence or security of New Zealand. 10

Cf. Circuit Layouts Act 1989 (Aust.), s. 25 (3)

23. Owner of layout design rights entitled to remuneration—Where an act is done under **section 20** of this Act in relation to an eligible layout design, the Crown shall pay such remuneration to the owner of the layout design rights as may be agreed or determined by a method agreed, as the case may be, between the Crown and the owner or, in default of agreement, as is determined by the Copyright Tribunal on the application of either of them. 15 20

Cf. Circuit Layouts Act 1989 (Aust.), s. 25 (4)

24. Appeal to High Court—(1) Any person who is aggrieved by—

- (a) Any act done by or on behalf of the Crown or a person authorised by the Chief Executive of a department under **section 20** of this Act; or 25
- (b) Any authorisation given by the Chief Executive of a department under that section; or
- (c) A determination by the Copyright Tribunal under **section 23** of this Act— 30

may appeal to the High Court and the High Court may make such determination or order as it thinks fit.

(2) On any such appeal—

- (a) The Crown; and 35

(b) Where the appeal is against an authorisation by the Chief Executive of a department, the Chief Executive; and

(c) With the leave of the High Court, any other person— is entitled to appear and be heard.

PART IV

REMEDIES FOR INFRINGEMENT

5 **25. Actions for damages**—(1) A court of competent jurisdiction may, on the application of the owner of layout design rights in an eligible layout design, if it is satisfied that the rights have been infringed,—

- (a) Make an order for the payment of damages against the person by whom the rights were infringed; or
- 10 (b) Require an account of profits to be taken as between the owner of the rights and the person by whom the rights were infringed.

(2) Where, in proceedings for an infringement of layout design rights,—

- (a) It is established that an infringement was committed; but
- 15 (b) At the time of the infringement the defendant was not aware, and did not have reasonable grounds for suspecting, that the act constituting the infringement was an infringement,—

20 the court shall not make any order for the payment of damages against the defendant in respect of the infringement, but may order an account of profits to be taken in respect of the infringement, whether any other relief is granted or not.

(3) Where, in proceedings in respect of an infringement of layout design rights,—

- 25 (a) An infringement is established; and
- (b) The court is satisfied that it is proper to do so, having regard to—
 - (i) The flagrancy of the infringement; or
 - 30 (ii) Any benefit shown to have accrued to the defendant because of the infringement; or
 - (iii) Any other relevant matters—

the court may, in assessing damages for the infringement, award such additional damages as it considers appropriate in the circumstances.

35 Cf. Circuit Layouts Act 1989 (Aust.), s. 27; 1962, No. 33, s. 24 (1)–(3)

40 **26. Injunctions**—A court of competent jurisdiction may, on the application of the owner of layout design rights in an eligible layout design, grant an injunction restraining a person from engaging in conduct that constitutes, or would constitute, an infringement of those rights.

27. Application of sections 28 to 34 of this Act to exclusive licensee—Sections 28 to 34 of this Act apply to an exclusive licensee of layout design rights under a licence that is in force at the time the conduct constituting an infringement of those rights takes place. 5

Cf. Circuit Layouts Act 1989 (Aust.), s. 29; 1962, No. 33, s. 26 (1)

28. Rights of exclusive licensee—(1) Subject to subsection (2) of this section, an exclusive licensee has the same rights and remedies as the owner of the layout design rights has under sections 25 and 26 of this Act as if the licensee were the owner. 10

(2) The rights and remedies of the exclusive licensee are held concurrently with the owner but may not be exercised against the owner.

Cf. Circuit Layouts Act 1989 (Aust.), s. 30; 1962, No. 33, s. 26 (2) 15

29. Proceedings where concurrent rights exist—
(1) Where—

(a) Proceedings are brought by the owner of layout design rights or by the exclusive licensee under section 25 or section 26 of this Act; and 20

(b) The proceedings relate, wholly or partly, to an infringement in respect of which the owner and the licensee have concurrent rights under that section,— the owner or licensee, as the case may be, is not entitled, except with the leave of the court, to continue those proceedings, in so far as they relate to that infringement, unless the licensee or owner, respectively, is joined as a party to the proceedings. 25

(2) Nothing in subsection (1) of this section applies to an application for an interim injunction by the owner of the layout design rights or an exclusive licensee. 30

Cf. Circuit Layouts Act 1989 (Aust.), s. 31; 1962, No. 33, s. 26 (3)

30. Defences in proceedings by exclusive licensee—In proceedings under section 25 or section 26 of this Act by an exclusive licensee a defence under this Act that would have been available to a defendant if the proceedings had been 35

brought by the owner of the layout design rights is available to the defendant against the exclusive licensee.

Cf. Circuit Layouts Act 1989 (Aust.), s. 32; 1962, No. 33, s. 26 (4)

5 **31. Assessment of damages where exclusive licence granted**—(1) Where, in proceedings to which **section 29** of this Act applies, the owner of the layout design rights and the exclusive licensee are not both plaintiffs, the court, in assessing damages in respect of the infringement shall,—

10 (a) If the plaintiff is the exclusive licensee, take into account any liabilities (such as royalties) to which the licence is subject; and

15 (b) Whether the plaintiff is the owner of the layout design rights or the exclusive licensee, take into account any pecuniary remedy already awarded to the other party under **section 25** of this Act in respect of that infringement or any right of action exercisable by the other party under that section in respect of that infringement.

20 (2) In this section and **sections 33** and **34** of this Act, the expression “the other party” in relation to the owner of layout design rights, means the exclusive licensee and, in relation to the exclusive licensee, means the owner of the layout design rights.

25 Cf. Circuit Layouts Act 1989 (Aust.), s. 33; 1962, No. 33, s. 26 (5), (9)

32. Apportionment of profits between owner and exclusive licensee—Where—

30 (a) Proceedings under **section 25** of this Act relate, wholly or partly, to an infringement in respect of which the owner of the layout design rights and the exclusive licensee have concurrent rights of action under that section, whether or not they are both parties; and

35 (b) An account of profits is directed to be taken in respect of that infringement—

the court shall, subject to any agreement of which it is aware by which the application of those profits is determined as between the owner of the layout design rights and the exclusive licensee, apportion the profits between them in such manner as it

considers just and shall give such directions as it considers appropriate for giving effect to that apportionment.

Cf. Circuit Layouts Act 1989 (Aust.), s. 34; 1962, No. 33, s. 26 (6)

33. Limitation on relief where separate proceedings relate to same infringement—In proceedings under **section 25** of this Act brought by the owner of layout design rights or by the exclusive licensee— 5

(a) A judgment or order for the payment of damages in respect of an infringement of those rights shall not be given or made if a final judgment or order has been given or made in favour of the other party directing an account of profits under that section in respect of the same infringement; and 10

(b) A judgment or order for an account of profits in respect of an infringement of those rights shall not be given or made if a final judgment or order has been given or made in favour of the other party awarding damages or directing an account of profits under that section in respect of the same infringement. 15 20

Cf. Circuit Layouts Act 1989 (Aust.), s. 35; 1962, No. 33, s. 26 (7)

34. Liability for costs—Where, in proceedings to which **section 29** of this Act applies, whether brought by the owner of layout design rights in an eligible layout design or by the exclusive licensee, the other party is not joined as a plaintiff, either at the commencement of the proceedings or subsequently, but is added as a defendant, the other party is not liable for any costs of the proceedings unless that party enters an appearance and takes part in the proceedings. 25 30

Cf. Circuit Layouts Act 1989 (Aust.), s. 36; 1962, No. 33, s. 26 (8)

35. Presumptions—In proceedings under **section 25** or **section 26** of this Act—

(a) Layout design rights shall be presumed to subsist in the layout design to which the proceedings relate if the defendant does not put in issue the question whether those rights subsist in the layout design; and 35

(b) Where layout design rights are proved, or admitted, or presumed under **paragraph (a)** of this section, to subsist in a layout design, the plaintiff shall be presumed to be the owner of the rights if it is alleged that the 40

plaintiff is the owner of the rights and the defendant does not put in issue the question of ownership.

Cf. Circuit Layouts Act 1989 (Aust.), s. 37; 1962, No. 33, s. 27 (1)

5 **36. Proof of certain facts**—If, at the time when an eligible layout design, a copy of an eligible layout design, an integrated circuit made in accordance with an eligible layout design, or an article in which such an integrated circuit is incorporated, as the case may be, was first commercially exploited, the layout
10 design, the copy, the integrated circuit or a package containing it, or the article was clearly and legibly labelled or marked so as to indicate the following claims, namely,—

(a) That layout design rights subsisted in the layout design;
and

15 (b) That the person named on the label or mark as the maker of the layout design was the maker of the layout design and any person named as an exclusive licensee of the owner was an exclusive licensee; and

20 (c) That the layout design was first commercially exploited in the country and the year specified on the label or mark,—

it shall be presumed in any proceedings under **section 25** or **section 26** of this Act, in the absence of evidence to the contrary,—

25 (d) That at all material times any person dealing with the layout design, the copy, or the integrated circuit had knowledge of each of the claims specified in **paragraphs (a) to (c)** of this section; and

30 (e) That the layout design was first commercially exploited in the year specified.

Cf. Circuit Layouts Act 1989 (Aust.), s. 39; 1962, No. 33, s. 27A; 1985, No. 134, s. 7

PART V

MISCELLANEOUS

35 **37. Eligible countries**—(1) Subject to **subsection (2)** of this section, the Governor-General may from time to time, by Order in Council, declare a country to be an eligible country for the purposes of this Act.

40 (2) A country shall not be declared to be an eligible country for the purposes of this Act unless—

- (a) It is a party to a treaty or convention relating to the protection of layout designs to which New Zealand is also a party; or
- (b) The Governor-General is satisfied that, if the country is not a party to such a treaty or convention, provision is or will be made under the law of that country under which adequate protection is or will be given to layout designs made by persons referred to in paragraph (a) or (b) of the definition of the term “eligible person” in section 2 of this Act and to layout designs first commercially exploited in New Zealand. 5 10

Cf. Circuit Layouts Act 1989 (Aust.), s. 42

38. Prospective ownership of layout design rights—

(1) Where, by an agreement in relation to future layout design rights and entered into by or on behalf of the person who would, apart from this section, be the owner of the rights on their coming into existence, that person purports to assign the future layout design rights, wholly or partly, to another person (in this subsection called the “assignee”), the rights, on coming into existence, shall, by virtue of this section, vest in the assignee or the assignee’s successor in title. 15 20

(2) Where, at the time when a layout design right comes into existence, the person who would be entitled to the right is dead, the right devolves as if, immediately before the person’s death, the person had been the owner of the right. 25

(3) A licence granted in respect of future layout design rights by the prospective owner of those rights binds each of the prospective owner’s successors in title to the prospective interest in the rights to the same extent as the licence was binding on the grantor. 30

Cf. Circuit Layouts Act 1989 (Aust.), s. 44

39. Assignments and licences of layout design rights—

(1) Layout design rights are personal property and, subject to this section, are capable of assignment and may pass by will or by operation of law. 35

(2) An assignment of layout design rights may be limited in any way, including any one or more of the following ways,—

- (a) So as to apply to one or more of the classes of acts that, by virtue of this Act, the owner of the layout design rights has the exclusive right to do (including a class of acts that is not separately specified in this Act as being comprised in layout design rights but falls within a class of acts that is so specified); 40

(b) So as to apply to part of the protection period of the layout design in which the layout design rights subsist.

5 (3) An assignment of layout design rights, whether total or partial, does not have effect unless it is in writing signed by or on behalf of the assignor.

(4) A licence granted in respect of a layout design right by the owner of the right binds every successor in title to the interest in the right of the grantor of the licence, except—

10 (a) A purchaser in good faith for valuable consideration and without notice, actual or constructive, of the licence; or

(b) A person deriving title from such a purchaser—
to the same extent as the licence was binding on the grantor.

15 Cf. Circuit Layouts Act 1989 (Aust.), s. 45; 1962, No. 33, s. 56 (4)

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40. Groundless threats of legal proceedings—(1) Subject

20 to this section, where a person threatens, by any means, another person with proceedings for infringement of layout design rights in an eligible layout design, whether or not the person making the threat is the owner of the layout design rights or an exclusive licensee, a court of competent jurisdiction may, on the application of the person against whom the threat
25 is made,—

(a) Make a declaration that the threat is unjustified:

(b) Grant an injunction against the continuation of the threat:

30 (c) Make an order for the payment of damages for any loss suffered by the person against whom the threat is made.

(2) A court shall not grant relief under this section if the defendant proves that the acts in respect of which proceedings were threatened constituted, or if done, would have constituted, an infringement of the layout design rights
35 concerned.

(3) Mere notification of the existence of any layout design right is not a threat of proceedings for the purposes of this section.

40 (4) Nothing in this section makes a barrister or solicitor of the High Court of New Zealand liable to any proceedings under this

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section in respect of any act done in his or her professional capacity on behalf of a client.

New

40. Groundless legal proceedings—(1) Subject to this section, where a person commences proceedings alleging an infringement of layout design rights in an eligible layout design, a court of competent jurisdiction may, on the application of any person against whom the proceedings are brought, if it is satisfied that the proceedings are unjustified,—

(a) Make an order striking out the proceedings:

(b) Make an order for the payment of damages for any loss suffered by the person against whom the proceedings were brought.

(2) A court shall not grant relief under this section if the defendant proves that the acts in respect of which the proceedings were brought constituted, or if done, would have constituted, an infringement of the layout design rights concerned.

(3) No proceedings may be commenced under this section against a barrister or solicitor of the High Court of New Zealand in respect of any act done in his or her professional capacity on behalf of a client.

Cf. Circuit Layouts Act 1989 (Aust.), s. 46; Copyright, Designs and Patents Act 1988 (U.K.), s. 253

41. Amendments to Copyright Act 1962—(1) Section 2 (1) of the Copyright Act 1962 is hereby amended by adding to the definition of the term “artistic work” (as amended by section 2 of the Copyright Amendment Act 1985), the words “but does not include a layout design or an integrated circuit within the meaning of section 2 (1) of the Layout Designs Act 1994”.

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(2) Section 37 of the Copyright Act 1962 is hereby amended by inserting, after the word “Act”, the words “or the Layout Designs Act 1994”.

New

(2) The Copyright Act 1962 is hereby amended by repealing section 37, and substituting the following section:

5 “37. **Jurisdiction**—The Tribunal shall have such jurisdiction as is conferred on it by—

“(a) This Act or any regulations or Order in Council made under this Act; or

“(b) The Layout Designs Act 1994.”

10 **42. Amendment to Commerce Act 1986**—(1) The Commerce Act 1986 is hereby amended by repealing section 45 (as substituted by section 16 (1) of the Commerce Amendment Act 1990), and substituting the following section:

15 “45. **Exceptions in relation to intellectual property rights**—(1) Nothing in this Part of this Act, except sections 36, 36A, 37, and 38 of this Act, applies—

“(a) To the entering into of a contract or arrangement or arriving at an understanding in so far as it contains a provision authorising any act that would otherwise be prohibited by reason of the existence of a statutory intellectual property right; or

20 “(b) To any act done to give effect to a provision of a contract, arrangement, or understanding referred to in paragraph (a) of this subsection.

25 “(2) For the purposes of subsection (1) of this section, a statutory intellectual property right means a right, privilege, or entitlement that is conferred, or acknowledged as valid, by or under—

“(a) The Patents Act 1953; or

“(b) The Designs Act 1953; or

30 “(c) The Trade Marks Act 1953; or

“(d) The Copyright Act 1962; or

“(e) The Plant Variety Rights Act 1987; or

“(f) The Layout Designs Act 1994.

35 “(3) For the purposes of subsection (2) of this section—

“(a) A person who has applied for a patent in accordance with the Patents Act 1953 and filed the complete specification in relation to the application shall, until the application is determined, be deemed to have been granted the patent to which the application relates:

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“(b) A person who has made an application for the registration of a design in accordance with section 7 of the Designs Act 1953 shall, until the application is determined, be deemed to be the registered proprietor of the design: 5

“(c) A person who has made an application in accordance with section 26 of the Trade Marks Act 1953 for registration of a trade mark, shall, until the application is determined, be deemed to be the registered proprietor of the trade mark: 10

“(d) A person who has made an application in accordance with section 5 of the Plant Variety Rights Act 1987, shall, until the application is determined, be deemed to have been granted the plant variety rights to which the application relates.” 15

(2) Section 16 of the Commerce Amendment Act 1990 is hereby consequentially repealed.