

**IN THE HIGH COURT OF NEW ZEALAND
WELLINGTON REGISTRY**

**CIV 2011-454-910
[2015] NZHC 3282**

UNDER the Copyright Act 1994
IN THE MATTER OF Copyright infringement
BETWEEN DAVID STANLEY HOYLE
First Plaintiff
AND TRANSPREAD INTERNATIONAL
LIMITED
Second Plaintiff
AND PAUL DAVID HOYLE
Defendant

Hearing: 23 November 2015 – 4 December 2015

Counsel: N J Scampion and P D M Johns for First and Second Plaintiffs
P C Dengate Thrush and W L Aldred for Defendant

Judgment: 17 December 2015

JUDGMENT OF CLARK J

*I direct that the delivery time of this judgment is
3.30pm on the 17 day of December 2015*

[1] The first plaintiff is the owner of NZ Patent No 331966 (the Patent) dated 21 September 1999 and entitled “Conveyor for Spreaders”. The Patent is currently in force.

[2] This judgment concerns an application by the defendant for revocation of the Patent. The first plaintiff, the owner of the Patent, does not oppose revocation.

[3] Accordingly, the Patent is revoked.

[4] Because of the circumstances in which the application for revocation was made it is necessary to make a few brief observations about the Court’s jurisdiction to revoke the Patent.

Jurisdiction to revoke the Patent

[5] This proceeding was commenced in December 2011 under the Copyright Act 1994 and the Patents Act 1953. The original claims were for copyright infringement and infringement of the Patent. In November 2012 the defendant filed a second amended statement of defence and counterclaim. In his affirmative defence against alleged infringement of the Patent the defendant pleaded prior use and “obviousness” and sought revocation of the Patent.

[6] In January 2015 the plaintiff indicated his intention to abandon his patent infringement action. A third amended statement of claim was filed in April 2015. The claim for infringement of the Patent was abandoned and the proceeding became one concerned purely with copyright infringement. The further amended statement of defence to the third amended statement of claim maintained the counterclaim seeking a declaration of invalidity of the Patent and an order revoking the Patent. In September 2015 the plaintiff responded to further evidence concerning the validity of the Patent by indicating that he would consent to its revocation.

[7] At trial, during the course of the defendant’s opening, counsel sought an order for revocation of the Patent with immediate effect. As well, indemnity costs were sought.

[8] I queried the Court's jurisdiction to make such an order in light of r 22.17 of the High Court Rules which provides as follows:

22.17 Application by originating application

- (1) An application to the court to revoke a patent under section 112 of the Act (not being an application made in the course of a proceeding) must be by way of an originating application.
- (2) The originating application must be filed in the registry of the court at Wellington (unless the court otherwise directs).

[9] My specific concern was that, with the first plaintiff's abandonment of the cause of action alleging infringement of his Patent, the proceeding was no longer a patent infringement proceeding. If the application to revoke was not made in the course of a proceeding for patent infringement, then it would need to be made by way of originating application.

[10] Ultimately, I accept Mr Dengate-Thrush's submission that the application for revocation was properly made by way of counterclaim. The abandonment by the plaintiff of his patent infringement cause of action does not deprive the application for revocation of the propriety of its initiation. In the absence of any rule to that affect the ordinary position set out in r 5.59 must apply:

If a defendant sets up a counterclaim against the plaintiff, whether alone or along with any other person, and the proceeding of the plaintiff is stayed, discontinued, or dismissed, that defendant may nevertheless proceed with the counterclaim.

[11] Accordingly, this Court has jurisdiction to revoke the Patent and an order is thus made.

[12] Costs are reserved.

Karen Clark J

Solicitors:
Baldwins Law Ltd, Auckland for Plaintiffs
McCabe and Company, Wellington for Defendant