

**PROFESSIONAL STANDARDS BOARD FOR PATENT AND  
TRADE MARKS ATTORNEYS**

**24 September 2001**

***TOPIC GROUP A – LEGAL PROCESS AND OVERVIEW OF INTELLECTUAL  
PROPERTY***

**Instructions to candidates**

- **The duration of the examination is 2.5 hours (plus 10 minutes reading time) for candidates requiring an examination result for the whole topic group. For candidates requiring an examination result only in Overview of Intellectual Property, the duration of the examination is 30 minutes (plus 10 minutes reading time).**
- **For those candidates requiring an examination result only in Overview of Intellectual Property, candidates must attempt only the indicated questions. After 30 minutes of examination writing time, there will be a five minute break in the examination when all candidates will be required to cease writing. Overview of Intellectual Property-only candidates must then hand in their answer papers and leave the room in a quiet, orderly manner. Other candidates must remain in their seats and resume writing only when instructed to do so, and the examination will conclude 2 hours later.**
- **Candidates for the whole of Topic Group A may answer the examination questions in the order of their choice.**
- **You should write your candidate number on the front cover of each examination book used.**
- **Candidates may take into the examination room any written material or books.**

**Question 1 – Overview of Intellectual Property****For IP-only candidates, 100 marks; 30 minutes.****For other candidates, 20 marks; suggested time – no more than 30 minutes.**

Provide brief answers to each of the following questions:

- (a) what is intellectual property?
- (b) why do we have laws protecting intellectual property rights?
- (c) what are the arguments for and against separate legislative protection for trade marks, in addition to the common law tort of passing off?;
- (e) under the *Patents Act*, what courts have jurisdiction in patent infringement claims? For each court, identify the rights of appeal after a first instance decision;
- (f) why are international agreements particularly important for effective protection of intellectual property rights? Identify two international conventions relevant to intellectual property, and describe the important features of each.

**Question 2 (IP-only candidates not to attempt)****40 marks; suggested time – no more than 1 hour.**

Refer to and read the *Secret Commissions Act 1905* a copy of which is attached.

Jim is a computer parts buyer for a major electronic store in Sydney. In the course of his job, Jim travels throughout Australia and overseas to visit suppliers.

Jim's company has a published policy which reads as follows:

*Policy for Buyers Dealing with Suppliers*

*The company is aware that, from time to time, buyers are offered gifts and other rewards by suppliers and that this might appear to be for the purpose of inducing orders.*

*The company has no objections to buyers receiving hospitality from suppliers for example by way of meals and entertainment, nor the receipt of small tokens of esteem such as at Christmas time. This is customary in the industry and largely inevitable.*

*Otherwise, however, receipt of gifts and inducements is contrary to company policy unless specifically approved.*

Over the years, Jim has become good mates with Dan who runs a business manufacturing microchip processors in Hong Kong. Jim and Dan have had many late nights in Hong Kong together, at Dan's expense, when Jim has been visiting Dan's factory.

On the last visit, Dan gave Jim a really huge night and put him up in good accommodation. Dan arranged with Jim to upgrade his accommodation to the 5 star Hong Kong Deluxe (whose owner is another good mate of Dan's) from the 3 star Hong Kong Standard which was where Jim usually stayed because the company only allowed three star accommodation for its buyers.

Jim asked his personal assistant, Felicia, to mention to Jim's boss that Jim would be staying at the Hong Kong Deluxe because Dan was able to get him a good deal there and Jim's boss said to Felicia: *'The lucky devil! If we can get 5 star for the cost of 3 star, go for it.'*

When Jim was in Hong Kong, Dan took him to a number of places including the Hong Kong High Rollers Casino where Dan bought Jim \$500 worth of gambling tokens. Jim cleaned up at the casino, doubling his money. Dan insisted that Jim keep the lot.

Dan arranged with the Hong Kong Deluxe to split the hotel bill in two, one for Jim at an amount equivalent to what would have been the cost of the Hong Kong Standard and another bill for the balance which went directly to Dan. Jim passed on the Hong Kong Deluxe bill to Felicia when he got back to the office, and it was processed by Jim's company in the usual way.

After Jim's visit, Jim placed a substantial order with Dan on behalf of Jim's company. On the order form faxed to Dan, Jim added a personal hand written note *'Dan, Thanks for such an excellent time in Hong Kong, Cheers Jim!'*.

Jim is charged with offences under sections 4 and 5 of the Act. Felicia, is charged with an offence under section 5.

Answer all of the following questions:

- (a) On the hearing of the charges against Jim, is the policy document evidence relevant to any issue and, if so, what issue? Is the document admissible evidence on that issue?
  
- (b) On the hearing of the charges against Jim, is the order sent to Dan by Jim evidence relevant to any issue and, if so, what issue? Is it admissible evidence on that issue?

- (c) On the hearing of the charges against Jim, is Felicia's conversation with Jim's boss evidence relevant to any issue, and if so, what issue? Is it admissible evidence on that issue?
- (d) Jim asks Felicia to give evidence on the hearing of the charges against Jim. Advise Felicia.
- (e) What do you think is the purpose of the Act? What approach to interpretation of the Act do you think the court hearing the charges against Jim and Felicia would take?
- (f) Is Jim guilty of an offence under section 4? Section 5?
- (g) Is Felicia guilty of an offence under section 5?
- (h) Could Dan have been charged with an offence under the Act?
- (i) In fact, Jim was acquitted. Advise Jim's company of any other remedies it may have under the Act.

*SEE END OF EXAMINATION FOR SECRET COMMISSIONS ACT 1905*

**Question 3 (IP-only candidates not to attempt)****40 marks; suggested time – no more than 1 hour.**

Dr Norm was an ordained Christian minister with a Bachelor of Arts and a Diploma of Education from an Australian University. For several years, Dr Norm was a modern history teacher. He obtained his doctorate from the College of Christians in Little Rock, Arkansas, after attending a four week residential seminar covering such topics as theology and modern challenges for Christians.

Dr Norm had for several years now been interested in a boat shaped formation near Mt Ararat in Turkey. He believed the formation could be the remains of Noah's Ark. He had visited Turkey on a couple of occasions to visit the site and was familiar with research work undertaken by others in relation to the site. On his last visit he had met with officials from the Turkish government to request permission to undertake a full scale archaeological investigation of the site. The officials made promising noises though it was clear that it would be the Minister's decision.

The members of the Ark Society which had recently incorporated themselves as Ark Pty Ltd were Christians committed to proving the truth of the bible story of Noah's Ark. Ark Pty Ltd had regular meetings of members and occasional public meetings in rented rooms for lectures and discussions about relevant subjects. The meetings, and preparation and distribution of any printed were undertaken by volunteers. The company had a small bank balance of profits made from admissions charged for meetings and sale of printed material.

The current president, Sandra was formerly a successful businesswoman now in comfortable retirement. Sandra was committed to the Ark cause. Sandra and Dr Norm had first met six months earlier and had become firm friends having many long talks about the Turkey site, Dr Norm's visits there and the proposed investigation.

Dr Norm presented a lecture series for Ark Pty Ltd around the country. Admission fees were charged. Fact sheets were printed by Ark Pty Ltd and distributed at the meetings for a modest charge. The fact sheet was prepared by Dr Norm at Ark Pty Ltd's request and included the following material:

*'Ark Pty Ltd is pleased to support Dr Norm, an historical researcher in archaeological work, in his plans to investigate the Mt Ararat formation. Dr Norm's work provides strong evidence that the formation is indeed Noah's Ark and this will be verified by a detailed archaeological investigation undertaken with the permission of the Turkish government, to commence in Turkey in three months.'*

As President, Sandra travelled with and introduced Dr Norm at each of the lectures. Her introduction was a warm and enthusiastic one in much the same terms as the fact sheet extract.

Those attending the meetings were offered the opportunity to travel to Turkey and observe the detailed investigation. The cost charged included a 50% mark up on the actual travel and accommodation costs to assist in funding the investigation.

Included among those who signed up for the tour were:

- Doris, who was only able to do so by selling the AMP shares allocated to Doris as a long standing policy holder, on conversion of the AMP from a mutual society to a company. The shares Doris sold have increased in value 100% since then.
- Dotty, who used funds she had been planning to donate to another creationist group, the Find Noah Society.

Sadly, the Turkish government, although its officials continued to make encouraging noises right up to the end, finally refused permission for the investigation to proceed. By then, the group had already arrived in Turkey and much preparation for the detailed investigation had been undertaken at significant cost. There was little that could be salvaged. Dr Norm has not been seen since...

With reference to the cases in the reading materials, advise Doris, Dotty and the Find Noah Society on their rights of action under the *Trade Practices Act* against Ark Pty Ltd and Sandra.

*END OF EXAMINATION*



## SECRET COMMISSIONS ACT 1905

*Reprinted as at 31 October 1990*

### TABLE OF PROVISIONS

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An Act relating to Secret Commissions, Rebates, and Profits

#### Short title

1. This Act may be cited as the Secret Commissions Act 1905.

#### Application

2. This Act applies to trade and commerce with other countries and among the States, and to agencies of and contracts with the Commonwealth or any Department or officer thereof.

## Interpretation

### 3. In this Act:

"**Agent**" includes any corporation, firm, or person employed by or acting or having been acting or desiring or intending to act for or on behalf of any other corporation, firm, or person, whether as agent, partner, factor, broker, servant, trustee, director, or in any other capacity, and whether he acts in the name of the principal or in any other name, and in the case of a firm includes a member of the firm. It also includes a person serving under the Crown.

"**Agency**" has a meaning corresponding with that of "agent".

"**Consideration**" means valuable consideration of any kind, and particularly includes discounts, commission and rebates, bonuses, deductions and percentages, and also employment or an agreement to give employment in any capacity.

"**Full knowledge**" means knowledge of all material facts and circumstances.

"**Principal**" includes a corporation, firm, or person who employs the agent or for or on behalf of whom the agent acts or has been acting or desires or intends to act.

## Secret gifts accepted by or offered to agent as inducement or reward

4. (1) Any person who, without the full knowledge and consent of the principal, directly or indirectly:

- (a) being an agent of the principal accepts or obtains or agrees or offers to accept or obtain from any person for himself or for any person other than the principal; or
- (b) gives or agrees to give or offers to an agent of the principal or to any person at the request of an agent of the principal;

any gift or consideration as an inducement or reward:

- (i) for any act done or to be done, or any forbearance observed or to be observed, or any favour or disfavour shown or to be shown in relation to the principal's affairs or business, or on the principal's behalf; or
- (ii) for obtaining or having obtained or aiding or having aided to obtain for any person an agency or contract for or with the principal;

shall be guilty of an indictable offence.

Penalty: In the case of a corporation, Two thousand dollars; in the case of any other person, two years' imprisonment or One thousand dollars, or both.

- (2) A gift or consideration shall be deemed to be given as an inducement or reward if the receipt or any expectation thereof would be in any likely to influence the agent to do or to leave undone something contrary to this duty.

## False account given to or received or used by agent

### 5. Any person who:

- (a) gives to an agent; or
- (b) being an agent receives or uses;

with intent to deceive the principal, any receipt, account, or document in respect of which the principal is interested, or in relation to a dealing, transaction, or matter in which the principal is interested, the receipt, account, or document being false, erroneous, or defective in any material particular, or likely in any way to mislead the principal, shall be guilty of an indictable offence.

Penalty: In the case of a corporation, Two thousand dollars; in the case of any other person, two years' imprisonment or One thousand dollars, or both.

### **Agent Secretly buying from or selling to himself**

6. Any agent who, without the full knowledge and consent of the principal, buys from or sells to himself, or any firm of which he is a partner, or any company of which he is a director, manager, officer, or employee, or in which he or any person for him or on his behalf is a shareholder, any goods for or on behalf of his principal, shall be guilty of an indictable offence.

Penalty: In the case of a corporation, Two thousand dollars; in the case of any other person, two years' imprisonment or One thousand dollars, or both.

### **Principal may recover amount of secret gift**

7. (1) Where any gift or consideration has in contravention of this Act been given by any person to an agent, the principal may, in any court of competent jurisdiction, recover the amount or the money value thereof either from the agent or from the person who gave the gift consideration to the agent.

(2) No conviction or acquittal of the defendant in respect of an offence under this Act shall operate as a bar to proceedings under this section.

### **Incriminating answers and discovery**

8. No person shall in any civil or criminal proceeding be excused from answering any question, put either *viva voce* or by interrogatory, or from making any discovery of documents, on the ground that the answer or discovery may criminate or tend to criminate him in respect of an offence against the Act; but his answer shall be admissible in evidence against him in any criminal proceeding, other than a prosecution for perjury.

### **Evidence**

9. In any civil or criminal proceeding under this Act evidence shall not be admissible to show that any such gift or consideration as is mentioned in this Act is customary in any trade or calling.

### **Aiding and abetting offences**

10. Whoever aids abets counsels or procures or is in any way directly or indirectly knowingly concerned in or privy to:

- (a) the commission of any offence against this Act; or
- (b) the commission outside Australia of any act, in relation to the affairs or business or on behalf of a principal residing in Australia, which if committed in Australia would be an offence against this Act;

shall be deemed to have committed the offence and be punishable accordingly.

### **Information upon oath**

11. Every information (other than an indictment) for any offence under this Act shall be upon oath.

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