

DOUG ANDREWS HEATING & VENTILATION LTD and Another v DIL and Others

HIGH COURT OF NEW ZEALAND

ALLAN J

7–11, 14, 15, 18 October, 12 December 2013 — Auckland, New Zealand

[2013] NZHC 3333

Patents — Patent for portable hangi cookers — Construction of claims — Infringement — Counterclaim for revocation — Lack of novelty — Obviousness — Common general knowledge — No expert called — Unjustified threats — Availability of claim or threats where infringement proceedings have issued — (CTH) Patents Act 1953 ss 41, 74.

The first plaintiff was the owner of a patent covering portable hangi¹ cookers, with the second plaintiff being its exclusive licensee.

The first plaintiff was granted its patent for a portable hangi cooker on 12 January 2000 with a priority date of 21 October 1998. The first plaintiff's portable hangi cookers (which were first marketed from 1999 onwards) became a commercial success. The second plaintiff was incorporated in 2004 to undertake the business of selling the cookers.

In 2008, the plaintiffs first noticed a competing cooker on the New Zealand market, being the UFO cooker manufactured and marketed by the defendants.

The plaintiffs claimed that, since 2008, the defendants had infringed the patent by manufacturing, importing for sale, selling, promoting and using portable hangi cookers under the UFO brand name. The first and second defendants (Dil and Mitchell) were directors of the third defendant, G & W Imports Ltd (G & W). The plaintiffs claimed that Dil and Mitchell were equally liable with G & W for the pleaded infringement. The plaintiffs sought an injunction, an order for delivery up and damages in excess of \$1.2 million.

The defendants denied infringement, alleged unjustified threats of patent infringement (for which they sought an inquiry as to damages). They also brought a counterclaim seeking revocation of the patent (alleging lack of novelty and obviousness).

The first defendant, Mr Dil, was experienced in the cutting and fabricating of metal. While working as an apprentice fitter and welder, he used to construct metal cookers out of old beer kegs. All of these were made to steam or smoke food. In 2008, Mr Dil decided to go into the business of making and selling cookers. His evidence was that at the time he was not aware of the first plaintiff or its cookers or the patent. He met the second defendant, Mr Mitchell, who agreed to invest in a proposed business (the third defendant company). This commenced manufacturing, marketing and selling UFO cookers.

In 2009, the plaintiffs purchased a sample of the defendants' UFO cooker and proceedings were commenced in August 2009 alleging infringement of the patent.

Construction

Claim 1 of the patent was the only independent claim. The defendants contended that, on a true construction, claim 1 did not extend to a cooker in which the cooking chamber or other food receptacle formed part of the lower section of the interchangeable parts. Rather the plain language of claim 1 described a cooking apparatus in which the lower part comprised the heating source and plate means and the upper part comprised a cooking chamber.

The plaintiffs' argument was that claim 1 required that a cooking chamber be defined by the apparatus but that the cooking chamber need not be defined by the interengagement of the upper and lower parts.

Infringement

5 The plaintiffs' claim (on filing the proceedings) was that the defendants' single-tier UFO cooker (without any extension) infringed the patent. By trial the plaintiffs accepted that the infringement occurred only when the defendants' UFO cooker was sold with an extension or when an extension was sold for the purpose of expanding the capacity of the defendants' single tier cooker. The principal argument for the plaintiffs was that claim 1 was infringed once the UFO extension was added because, when that occurred, the
10 particular cooking chamber envisaged in claim 1 arose. The plaintiffs argued that this was because a larger chamber was formed for the interengaged upper and lower parts of the cooker.

The defendants contended that, even with an extension fitted, their cooker did not infringe because the lower tier of the UFO cooker comprised provision for heat source, plate means and a cooking chamber, whereas the invention as claimed *omitted* a cooking
15 chamber in the lower part.

Counterclaims

The defendants sought revocation of the patent alleging that, so far as was claimed in any claim in the complete specification, the invention lacked novelty or was obvious and did not involve any inventive step.

20 As to lack of novelty, the focus was ultimately on three pieces of prior art, the Hartwell cooker, the Richardson A6 cooker, the Hakaraia cooker and the Dil drawings.

The pleadings as to obviousness claimed common general knowledge (as listed in the judgment). But the defendants did not lead any expert evidence as to what common general knowledge existed as at the priority date or as to what the skilled addressee would
25 have thought or done.

Held, finding no infringement and dismissing the counterclaims:

Construction

(i) Claim 1 extended protection to a hangi cooker in which only the second part comprised a cooking chamber. Although there were references in the specification to the
30 use of the hot plate (in the lower portion) for direct cooking purposes, no claim based on that function found its way into claim 1. It was the claims themselves that were crucial: at [55], [57].

Lucas v Peterson Portable Sawing Systems Ltd (in liq) [2006] 3 NZLR 721; [2006] 3 NZSC 20, applied.

35 *Lucas v Peterson Portable Sawing Systems Ltd* [2003] 3 NZLR 361; (2003) 57 IPR 305 (HC); *Unilever Plc v Chefaro Proprietaries Ltd* [1994] RPC 567; *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd* (2004) 64 IPR 444; [2005] 1 All ER 667; [2004] UKHL 46, referred to.

Infringement

(ii) The second part (or extension) of the UFO cooker did not create or comprise a cooking chamber at all. Rather it extended the cooking chamber which formed part of the first part — so it acted as an extension to the food housing already defined by the first part. A purposive reading of claim 1 made it clear that it was confined to cooking apparatus in
40 which the cooking chamber in its entirety was comprised within the second upper part. The UFO cooker, inclusive of one or more extensions, did not infringe claim 1. Further, it had not been argued that any one or more of the remaining claims were capable of justifying an infringement finding. The plaintiffs therefore failed to make out their infringement claim: at [62], [67].

Revocation counterclaim: lack of novelty

50 (iii) The court was not satisfied that the Hartwell cooker, the Richardson A6 cooker or the Hakaraia cooker constituted prior art. Further, the Dil drawings and Mr Dil's

evidence about having built multi-tier cookers were of negligible evidential value. Much more was required of a party who sought to revoke a patent on the ground of want of novelty: at [111], [123], [129], [137].

Lucas v Peterson Portable Sawing Systems Ltd (in liq) [2006] 3 NZLR 721; [2006] 3 NZSC 20, applied.

Revocation counterclaim: obviousness

(iv) Applying the four-step approach to determining obviousness:

(a) The inventive concept in the patent was the element of interchangeability which separated the cooking chamber in the upper part from the heat source and plate means in the lower part, with consequential practical advantages as set out in the complete specification: at [151].

(b) There was no reliable evidence that it was common general knowledge that cookers had one or more removable stacks and that they were able to be assembled and disassembled. There was no evidence to suggest that, as the priority date, any of the witnesses felt the need to redesign their cookers or that anyone was contemplating research or investigations that might lead down a path similar to that trodden by the inventor, Mr Andrews: at [153]–[155].

(c) The principal difference between the common general knowledge and the patented invention was the separation of the cooking function from the remainder and the provision of interengageable parts: at [157].

(d) As to whether the differences were obvious or required any degree of invention, the court was satisfied that a degree of invention was required and that obviousness had not been made out. The court was entitled to take into account as secondary evidence the commercial success of the invention. There was substantial evidence that this had been markedly successful: at [158], [160].

Ancare New Zealand Ltd v Cyanamid of NZ Ltd [2000] 3 NZLR 299, referred to.

(v) Ordinarily the court would need to consider each individual claim. It was not feasible to undertake such an exercise in this case because:

(a) The necessary element of inventiveness was found in claim 1.

(b) The plaintiffs did not suggest that any of the remaining claims, standing alone, required an inventive step: at [166].

In any event, claim analysis required the assistance of expert evidence and it would not be satisfactory for the court to undertake an obviousness assessment for claims 2–20 on the basis of what would be little more than judicial impression.

Groundless threats

(vi) The legislative purpose behind s 74 of the Patents Act 1953 is to enable an alleged infringer (or other party aggrieved) to bring the question of an alleged infringement to a head by issuing proceedings and thus avoiding a situation in which a threat is hanging over its head for a significant period: at [173], [177].

Skinner & Co v Perry [1893] RPC 1; *Townsend Controls Pty Ltd v Gilead* (1989) 14 IPR 443; *Lucas v Peterson Portable Sawing Systems Ltd (in liq)* HC Auckland CIV-2001-404-3668, 2 December 2009, referred to.

(vii) If the threat to issue proceedings is made good and proceedings actually issue then the predecessor threats are of historical interest only. Here proceedings were issued by the plaintiff and the right to take proceedings for threats under s 74 therefore lapsed. It made no difference that the plaintiff might have changed tack in mid-stream with respect to the ambit of the alleged infringement. Once proceedings commenced the in terrorem element dissipated: at [177].

(viii) On the facts:

(a) A notice placed in the *New Zealand Herald* was long after proceedings commenced: at [182].

(b) Threats made to customers of the third defendant were after proceedings commenced: at [183], [184].

(c) A statement in a letter from the plaintiffs' patent attorney was a threat: at [187], [188].

5 However, given that the plaintiffs had actually issued proceedings, no claim under s 74 was established: at [191].

Zeno Corp v BSM–Bionic Solutions Management GmbH [2009] EWHC 1829, followed.

10 ¹ A hangi is a traditional Maori cooking pit whereby stones are placed in a pit, a fire is built to heat the stones, food is wrapped in wet cloth and baskets which are then placed over the stones, the food is covered and left to cook for a period of hours.

C L Elliott QC and *A J Pietras* instructed by *A J Pietras & Co Ltd* for the plaintiffs/counterclaim defendants.

15 *D L Marriott* and *C M Fry* instructed by *A J Park* for the defendants/counterclaim plaintiffs.

Allan J.

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Introduction

45 [1] The plaintiffs sue for infringement of their New Zealand Patent 332466, for portable hangi cookers. Doug Andrews Heating and Ventilation Ltd (Doug Andrews) is the registered proprietor of the patent. Multi KC Ltd (Multi KC) has been its exclusive licensee since it was incorporated in 2004.

50 [2] The plaintiffs allege that since 2008, the defendants have infringed the patent by manufacturing, importing, offering for sale, selling, promoting and using portable hangi cookers branded UFO.

[3] Messrs Dil and Mitchell are directors of the third defendant, G & W Imports Ltd (G & W). The plaintiffs claim that they are equally liable with G & W for the pleaded infringements. They seek a permanent injunction against each defendant, together with an order for delivery up of infringing copies and damages in excess of \$1.2 million.

[4] For their part, the defendants deny any infringement. They also seek an inquiry as to damages in respect of allegedly unjustified threats of patent infringement proceedings. Further, and by way of counterclaim, the defendants seek an order revoking the plaintiffs' patent. They say the claims in the patent lack novelty or are obvious or both.

Background

[5] Mr Andrews commenced an apprenticeship in sheet metalwork in Christchurch in 1976. The apprenticeship involved experience in constructing heating and ventilation systems. Between then and 1987 he worked as a sheet metal engineer for several companies in and about Christchurch. Moving to Whangarei in 1987, he continued in that line of work, but in 1992 he decided to go into business for himself, starting out as a sole trader in Whangarei. At that time he was installing, repairing and servicing heating, ventilation and air conditioning equipment.

[6] In 1994 he formed Doug Andrews, ceasing at that time to operate as a sole trader. Since then he has been an employee and director of the company, along with his wife Gayla. Over a long period, Mr Andrews has built up a fund of knowledge and expertise in relation to workshop and on-site engineering, including in the field of design and fabrication of metal products.

[7] For many years Mr Andrews, who is Maori, had cooked food, and in particular the product of fishing and hunting trips, in the traditional Maori hangi style. That involves digging a pit, creating a fire in the pit to heat the stones, wrapping the food in wet cloth and baskets, placing the baskets over the stones, covering the food and leaving it to cook over a period of some hours. There are obvious practical disadvantages of that time-honoured method. If the food is taken out before it is properly cooked then heat is lost, and the hangi is effectively ruined unless the stones can be heated again and the cooking operation resumed. Moreover, cleaning up after a traditional hangi is a major task.

[8] In about 1998, Mr Andrews first created the hangi cooker which is the subject of the present dispute as part of his work for Doug Andrews. The cooker was in two main parts. The first part had a generally cylindrical housing; the lower portion of the housing had an opening for receiving a gas burner and an upper portion contained a hot plate. When the burner was fired up it heated the hot plate.

[9] The second part of the cooker comprised a cylindrical food housing which fitted snugly above the hot plate and was closed by a lid. Water or sawdust could be placed on the hot plate so that when it was heated, any food in the food housing could be cooked in steam or smoke or both. Sometimes a small amount of soil placed on the hot plate could assist in producing the optimal hangi flavour. Once cooking was concluded, the first and second parts of the cooker could be separated for cleaning and storage.

[10] Doug Andrews applied for patent protection and duly obtained a patent on 12 January 2000, with a priority date of 21 October 1998.

[11] In 1999, Doug Andrews began manufacturing and marketing hangi cookers. It adopted the brand name Multi Kai Cooker, a name that is still in use. From an early stage the cookers sold well and the market has consistently expanded. It has become a commercial success.

5 [12] In 2004, Multi KC was incorporated to undertake the Multi Kai Cooker business. It has the same shareholders and directors as Doug Andrews, namely Mr and Mrs Andrews. A written licence agreement was executed in 2012, but prior to that, Multi KC had from the date of its incorporation been Doug Andrews' exclusive patent licensee.

10 [13] In about 2008, Mr Andrews first noticed a competing product on the New Zealand market. It was the UFO cooker, manufactured and marketed by the defendants. Mr Dil is one of the two directors of G & W. Now 38 years of age, he grew up on Waiheke Island where he and his father often engaged in practical outdoor pursuits. Home-built metal cookers were commonplace at the time. They were usually constructed from old beer kegs, cut down drums, or old hot water cylinders. Mr Dil made several cookers himself during his youth, although he does not now retain any of them. Upon leaving school, he started work as a trainee apprentice fitter and welder. He has had over 20 years practical experience of cutting, fabricating and welding metal, and in particular, stainless steel and alloys. Most of his working life has revolved around metal working.

20 [14] While working as an apprentice, Mr Dil made some extra money by constructing metal cookers out of old beer kegs for customers, as a side line. Some customers sought bigger cookers than could be constructed from a single beer keg. He said in evidence that a larger cooker could be simply constructed by placing one beer keg on top of another. He says that he personally made a number of two keg portable cookers for customers before 1995. All of the cookers he made were used to steam or smoke food.

25 [15] For a considerable time it had been Mr Dil's ambition to set up a business building and designing things that reflected his outdoor lifestyle, such as cookers and smokers. In 2008, he decided to go into business making and selling cookers like those he had built, seen and used in his youth. He wanted something that could be used to both steam and bake food. It had to be compact enough to fit into the boot of a car, and it had to be affordable.

30 [16] Mr Dil says that at that time he was not aware of Mr Andrews, his cookers, or his patent. He says as far as he was aware, no one was making and selling the type of cooker he envisaged manufacturing in New Zealand at that time. He made some preliminary sketches but they no longer exist.

35 [17] In about 2008, Mr Dil met Mr Mitchell, who was older and better resourced. He agreed to invest in the proposed business. G & W was incorporated and the defendants commenced to manufacture, market and sell G & W's cookers, which were sold under the UFO brand.

40 [18] The cookers were manufactured in China. The first consignment was delivered in 2009. The product sold well. The defendants were able to improve their packaging and to add a cast iron hot plate and lift out handles for the baskets inside the cooker.

45 [19] UFO cookers are sold through retailers throughout New Zealand and in Australia and Tahiti. There is also the prospect of sales in the USA and Canada.

50 [20] In 2009, Mrs Andrews purchased a single tier UFO cooker from a retail outlet in Dargaville. The term "single tier" has been used in this case to denote a cooker manufactured as a single unit comprising a heating source housing, a

plate means and an upper cooking chamber. Mr Andrews cut sides out of the UFO cooker so that he could inspect it thoroughly.

[21] In June 2009, the plaintiffs' patent attorneys commenced correspondence with the defendants and later with their patent attorneys, but the correspondence was inconclusive and this proceeding was commenced in August 2009.

[22] In about the middle of 2010, Mr Andrews became aware that the defendants were advertising double and triple tier UFO cookers, and also separate extension units intended to facilitate the conversion of a single tier UFO cooker into a multi-tier product. Sales of the defendants' cookers are continuing down to the present time.

Construction principles

[23] The logical first step in considering the plaintiffs' infringement claim is to construe the terms of their patent. The proper approach to that task is now well established. In *Lucas v Peterson Portable Sawing Systems Ltd (in liq)*,¹ Gault J, delivering the judgment of the Supreme Court said:

[22] As the Patents Act makes clear, the applicant for the grant of a patent defines the scope of the invention in respect of which the statutory monopoly is claimed in a claim or claims at the end of the specification (s 10). The claims must be clear and succinct and fairly based on the disclosure in the specification. Conventionally there is a series of claims directed to aspects of the invention. They reflect the skill of the drafter who seeks to claim as widely as possible to encompass potential infringements but avoiding such width as may be invalid. Claims usually are drawn in increasing detail, often (as here) ending with a narrow claim to the specific embodiment described in the specification and any drawings.

...

[26] A patent specification is to be read as a whole and given a purposive construction. It must be construed as it would be understood by the appropriate addressee — a person skilled in the relevant art.

[27] Each part of the specification is to be read objectively in its overall context and in light of the function of that part. The claims are to be interpreted by reference to the object and description in the body of the specification.

[28] The claims define the scope of the monopoly conferred by the patent. They limit what others may do. They must clearly define the protected field so others may fairly know where they cannot go. The description in the body of the specification may assist interpretation, but it cannot modify the monopoly the inventor has clearly marked out. If his claim is formulated too narrowly so that imitators do not infringe, that cannot be rectified by reference to the description. If it is too wide, consequent invalidity cannot be saved by reading in limitations appearing in the description. The description of a preferred embodiment of the invention is just that and plainly will not confine the scope of an invention claimed more broadly. All of this is well established.

[24] The Supreme Court allowed an appeal from the judgment of the Court of Appeal.² The Court of Appeal had upheld the judgment of Fisher J in this court.³ The Supreme Court differed from the courts below on the question of novelty and the existence of prior art. But the construction principles discussed in the courts below were not in question. Particular assistance may be gleaned, in my view, from the judgment of Fisher J in this court, which contains a summary of the

1. *Lucas v Peterson Portable Sawing Systems Ltd (in liq)* [2006] 3 NZLR 721; [2006] 3 NZSC 20 (*Lucas*).

2. *Peterson Portable Sawing Systems Ltd v Lucas* CA64/03 CA97/03 4 March 2005..

3. *Lucas v Peterson Portable Sawing Systems Ltd* [2003] 3 NZLR 361; (2003) 57 IPR 305 (HC).

relevant construction principles. His Honour referred to s 10 of the Patents Act 1953 (the Act), to wider principles for the construction of legal documents in general, and to *Catnic Components Ltd v Hill & Smith Ltd*,⁴ *C Van der Lely NV v Ruston's Engineering Co Ltd*,⁵ *Glaverbel SA v British Coal Corp*,⁶ and *Ancare New Zealand Ltd v Cyanamid of NZ Ltd*.⁷

[25] By reference to these authorities, Fisher J identified the following construction principles, some of which overlap to some degree, but without giving rise to ambiguity or uncertainty:

- 10 (a) The interpretation of a patent specification is a question of law for the court to determine but expert evidence can be received as to the meaning of technical terms and concepts found within it.
- (b) The specification is to be construed objectively through the eyes of a skilled but unimaginative addressee. The test is what an addressee
15 skilled in the particular art in question would understand from the document as a whole.
- (c) The patent is to be given a purposive construction. Not appropriate is the kind of meticulous verbal analysis to which lawyers can sometimes be attracted.
- 20 (d) The court is to have regard to the surrounding circumstances as they existed at the priority date, this including matters of common general knowledge at that time.
- (e) It is to be assumed that redundancy was not intended. Consequently separate effect should be given to each word and phrase unless no
25 sensible additional meaning can be ascertained from them.
- (f) The specification is to be interpreted as a whole. Since it is the claims that define the scope of the monopoly, they will normally be the starting point but ambiguity in words or expressions can, in appropriate cases, be resolved by reference to the context of the document as a whole.
30 Importantly, for this purpose the document includes the drawings.
- (g) The complete specification is broadly divisible into the description or consistory clauses (s 10(1) and (3)(a)) of the Patents Act, the best method for performing the invention (s 10(3)(b)), and the claims (s 10(3)(c) and (4)).
35
- (h) The description or consistory clauses must identify and describe the essence of the invention in terms which reveal the inventive step or steps. The question is what the skilled addressee would understand as the essential and novel features of the invention.
- 40 (i) The superlative “best” when referring to the best method (s 10(3)(b)) implies that more than one embodiment will be possible for any given invention. Passages in the specification introduced by the word “preferably”, or “in a preferred form”, or “in one embodiment of the invention”, or words to similar effect, may tend to indicate that what is
45 being described is merely optional and therefore not an essential part of the invention itself.

50 4. *Catnic Components Ltd v Hill & Smith Ltd* [1981] FSR 60 (HL).

5. *C Van der Lely NV v Ruston's Engineering Co Ltd* [1985] RPC 461.

6. *Glaverbel SA v British Coal Corp* [1995] RPC 255 at 268–70.

7. *Ancare New Zealand Ltd v Cyanamid of NZ Ltd* [2000] 3 NZLR 299 at 315 (CA) (*Ancare*).

- (j) It may also be necessary to distinguish between consistory clauses and embodiments for another reason. When referring to the body of the specification for the purpose of clarifying ambiguous expressions in a claim, consistory clauses may be exhaustive as to the intended scope of the expression. Embodiments, on the other hand, might help to show the broadness of a claim but presumably never its narrowness.
- (k) Notwithstanding those technicalities, the overriding requirement will always be to view the specification purposively through the eyes of the technically skilled addressee and not those of a lawyer conducting a line by line analysis of a debenture or will.

[26] With the assistance proffered at both first instance and appellate levels in *Lucas*, I turn to the task of construing the plaintiffs' patent.

The plaintiffs' patent

[27] The complete specification of the patent comprises some 13 pages of text, together with two pages of drawings. It commences with a statement headed "Field of the Invention" which reads:

This invention relates to a method and apparatus for cooking, and in particular it relates to a multi-purpose portable cooker, especially suitable for the preparation of food in the style of the traditional hangi.

[28] Then follows a section headed "Background to the Invention" which describes briefly the traditional hangi method and sets out certain disadvantages which the invention is claimed to overcome. There is then a brief section under the heading "Object" which explains that the invention is intended to provide an alternative method and apparatus for cooking food which addresses some of the problems routinely encountered in the course of traditional hangi cooking. Then there is a nine page section headed "Statement of Invention" which sets out first a broad statement of the invention, and then a series of cascading embodiments or statements as to the uses to which the invention may be put and the means which may be employed. It is convenient to set out the introductory section of this paragraph which reads:

In one aspect the invention provides a set of parts for providing a cooking apparatus comprising at least a first part comprising a housing having a lower portion adapted to receive a heating source, and an upper portion, including plate means adapted to be heated by said heating source, and a second part comprising a housing capable of containing food to be cooked, the two parts having interengageable connection means such that when the parts are assembled together they engage to unite the parts with the lower portion of the second part engaging the upper portion of the first part to define a cooking chamber above the said plate means and to provide the cooking apparatus.

[29] Finally, the specification contains the claims that define the scope of the monopoly conferred by the patent. There are 20 separate claims but it is common ground that claim 1 is the only truly independent claim because an infringement of claim 1 is a precondition for the infringement of any of the remaining claims.

[30] Claim 1 is in essentially the same terms as the principal and introductory paragraph in the statement of invention set out above. The remaining 19 claims are subsidiary in that they cover matters of detail, such as the provision of a heating source and plate means, the use of mesh baskets, cooking methods and so on, but in each case the claim is to be read and considered in the context of claim 1.

[31] Counsel are agreed that claim 1 may accurately be set out for ease of interpretation in the following manner:

A set of parts for providing a cooking apparatus:

- 5 A first part:
 comprising a housing having:
 a lower portion adapted to receive a heating source; and an upper portion including
 plate means adapted to be heated by said heating source;”
 A second part comprising a housing capable of containing food to be cooked:
10 The two parts having interengageable connection means such that when the parts
 are assembled together they engage to unite the parts with the lower portion of the
 second part engaging the upper portion of the first part;
 To define a cooking chamber above said plate means and to provide the cooking
 apparatus.

15 [32] For completeness, the two pages of drawings which form part of the complete specification of the patent are attached to this judgment.

Construction of the patent

The defendants’ argument

20 [33] Mr Marriott submits that claim 1 must be construed as follows:

- (a) The cooker is in two parts:
 (i) The first part is essentially a barbecue with a heating housing and
 a barbecue hot plate; and
 (ii) The second part is a food housing or cooking chamber.
25 (b) The two parts can be joined together to make a hangi cooker.

[34] The argument for the defendants is that it is not possible to construe the first part as including a food housing, either optionally or otherwise: the first part is made up of only a heating housing and a hot plate. The hot plate forms the upper portion of the first part.

30 [35] That is evident, Mr Marriott submits, from the following passage in the statement of invention:

The provision of the plate means, which is preferably provided in the upper portion of the first part and intermediate between the heat source and the food to be cooked.

35 [36] As Mr Marriott also points out, the principal purpose intended to be achieved by the invention was to provide a more efficient method of cooking in the hangi style. That is not in dispute and is reflected at various points in the complete specification of the patent, and is particularly evident from the following passage:

40 By plate means is meant a plate or dish-shaped structure constructed from a material which is able to be heated by a heating source to a sufficiently high temperature to enable smoke, steam, essence or flavour releasing substance, when placed on the heated plate to release said smoke, steam, essence or flavour, or to enable food placed directly
45 onto the plate means to be cooked.

[37] Mr Marriott submits that the references to “plate” and “dish” are not consistent with a food housing such as would be found in a pot or steamer normally employed in hangi style cooking. Moreover, he submits, the reference at the end of the foregoing passage to the placement of food directly onto the plate is to the use of the hot plate and the upper chamber of the first part as a wok or frying vessel in its own right. In neither case could such an alternative cooking

method reasonably require an extended food housing, because frying and stir frying require ease of access achievable only with a flat or shallow plate or dish. He refers to the passage in the description of preferred embodiment in which the plate is described as taking the form either of a dish or having sides to enable it to contain liquid or any solid material which may be used for flavouring or steaming purposes. He submits further than the figs one and two annexed to the specification (and to this judgment), each depict a hot plate with low sides only, sufficient to allow for interengageability and to retain a small amount of liquid and flavouring material.

[38] As to that submission, it is of course to be borne in mind that the preferred embodiment cannot of itself be determinative any more than the drawings. It is the complete specification which must be construed as a whole.

[39] At another point in the statement of invention section, there is express reference to the use of the first part (the heat source and the plate means), to be used for barbecuing, frying, or stir frying. Again, Mr Marriott submits, barbecuing is not possible if the sides of the first part are extended to form a food housing, because some advantages claimed by the plaintiffs would be lost, namely ease of access for both cooking and cleaning purposes.

[40] Against that background Mr Marriott reaches the heart of his argument, which is that, on its proper construction, claim 1 requires that the first and second parts must be united to define a cooking chamber above the hot plate; there is no cooking chamber unless and until the two parts are engaged in the required manner. It is this issue which is central to this case.

[41] The argument for the defendants is that their approach is consistent with the description of the method of cooking food using the complete apparatus appearing in the statement of invention as follows:

... when the parts are assembled together they engage to unite the parts with the lower portion of the second part engaging the upper portion of the first part to define a cooking chamber above the said plate means and to provide the cooking apparatus, supporting the *uncooked food in the second part*, providing the heating source in the first part and heating the plate means so that the *food in the second part* is subjected to heat. [Emphasis added by counsel.]

[42] Mr Marriott points out in support of this aspect of his argument, that the patent itself in the description of preferred embodiment, refers to rods or ledges so positioned in the upper chamber as to allow the food baskets to be placed in position.

[43] In summary, Mr Marriott's position is that, upon its true construction, claim 1 does not extend to a cooker in which the cooking chamber or other food receptacle forms part of the lower section of the interengageable parts. Rather, the plain language of claim 1 describes a cooking apparatus in which the lower part comprises the heating source and the plate means, and the upper part comprises a cooking chamber.

The plaintiffs' argument

[44] A key feature of claim 1 is that it refers to an arrangement which enables the first and second parts of the cooker to unite and then be disassembled afterwards. In the drawings the so-called interengageable connection means is a sleeve and swage arrangement which enables one part of the cooker to slide into

the other, similar to the way a vacuum cleaner hose is put together. The degree to which one part slides into the other is controlled by swages (bulges) in the walls of the cooker.

5 [45] It follows that claim 1 does not extend to cookers which utilise only one barrel; that is, those where the heating and cooking parts are always only in one piece. The “first part” referred to in claim 1, comprises the base section of the cooker. It refers to a “housing” and is said to comprise both a lower portion adapted to receive a heating source, and an upper portion incorporating the plate means.

10 [46] Mr Elliott points out that claim 1 is not confined to situations where the plate means (or hotplate) is at the top of the first part. The only limit is that the plate means be in the upper portion of the housing comprising the heating source and the plate means. Against that background, Mr Elliott submits that claim 1 is wide enough to cover cookers where the walls of the first part extend well above the hotplate. He refers to the drawings which show the walls extending for a short distance above the hotplate itself. In that regard, I repeat what I said earlier about the drawings not being determinative of construction questions.

15 [47] The defendants’ arguments contain a fatal flaw, Mr Elliott submits, in that they assume that claim 1 covers only the situation in which the cooker comprises nothing which could be used as a food housing for any kind of cooking until after the interengageable parts are assembled. He says that the defendants’ argument effectively asks the court to read into claim 1 the additional words:

20 ... and wherein there can be no cooking chamber of any type at all, in any of the disassembled pieces, before the first and second parts are interengaged.

25 [48] As he points out, the court is not entitled to read into the language of the patent words that are not there, and the court should not modify the monopoly an inventor has clearly marked out, must not ignore limitations that are clearly stated in a claim, and must treat the description of a preferred embodiment of the invention as just that, without confining the scope of an invention claimed more broadly.⁸

30 [49] Mr Elliott further refers to the preferred embodiment, where there is reference to both smoking and steaming food, or placing it directly onto the plate means. He argues that the latter method involves cooking on the plate means within what he terms “the smaller cooking chamber around the plate means”.

35 [50] In a nutshell, the plaintiffs’ argument is that claim 1 requires that a cooking chamber be “defined” by the apparatus, but that the cooking chamber need not be defined by the interengagement of the upper and lower parts.

40 *Discussion*

[51] It is common ground that the key feature of the invention described in the patent is the element of interengageability. Competing products that are not interengageable will not infringe the patent. For that reason, all of the so-called single tier cookers are accepted by the plaintiffs not to infringe. Only when an extension is added, does the possibility of infringement arise.

45 [52] The defendants argue however, that even with an extension fitted, the UFO cooker does not infringe the plaintiffs’ patent because the lower tier of the UFO cooker comprises provision for heat source, plate means and cooking chamber

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8. *Lucas* above n 1 at [27]–[28].

while the invention claimed in the patent omits a cooking chamber in the lower part. That is why counsel have addressed in detail the question of whether the complete specification of the patent, and in particular claim 1, is wide enough to include a cooker having provision for a cooking chamber in the first part (or base section) of the cooker.

[53] In my opinion, it is irrelevant that the first part of the invention described in the patent may be adapted for cooking food, principally it seems from a reading of the patent as a whole, in the form of fried, stir fried, or barbecued food. That is because when used in that way the cooker is not “interengaged” with the upper part, and so is not being used in the manner for which patent protection has been obtained. Once the upper part is added, then a different cooking chamber is created in order that the cooker might be used for its principal purpose, namely, the preparation of hangi style food.

[54] During the trial, Mr Elliott demonstrated that it was technically feasible to reach the lower part of the cooker through the upper part or cooking chamber, but that, it seems to me, is beside the point. There is no reference in claim 1 to a cooking chamber within the first (or base) part. I consider that to have been deliberate, because the primary objective aimed at by the invention is to facilitate the cooking of food in traditional hangi style, mainly by steaming. The ability to fry or barbecue food by placing it directly on the hot plate is, no doubt, an added benefit which may well carry considerable commercial advantages, but the mere fact that that can be achieved at a practical level does not require the court to read into claim 1 something that is not there, namely the inclusion of a reference to a cooking chamber in the description of the first part (or base section) of the cooker. The reference to a “housing” is insufficient for that purpose.

[55] I accept that there are references in the specification to the use of the hot plate for direct cooking purposes, but no claim based on that function has found its way into claim 1. Those reading the patent, and particularly those who need to know whether or not they infringe it, are entitled to know where they stand. In that context, it is the claims themselves which are crucial. As was said by Jacob LJ in *Unilever Plc v Chefaro Proprietaries Ltd*:⁹

It is the inventive concept of the claim in question which must be considered, not some generalised concept to be derived from the specification as a whole.

[56] More generally, it is not open to the court to speculate why the feature upon which the plaintiffs place considerable reliance (the claimed existence of a cooking chamber in the first part of the patented hangi cooker), was not included in claim 1. As was pointed out by Lord Hoffman in *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd*, it is unwise to speculate:¹⁰

[35] One of the reasons why it will be unusual for the notional skilled man to conclude after construing the claim purposively in the context of the specification and drawings, that the patentee must nevertheless have meant something different from what he appears to have meant, is that there are necessarily gaps in our knowledge of the background which led him to express himself in that particular way. The courts of the United Kingdom, the Netherlands and Germany certainly discourage, if they do not actually prohibit, use of the patent office file in aid of construction. There are good reasons: the meaning of the patent should not change according to whether or not the

9. *Unilever Plc v Chefaro Proprietaries Ltd* [1994] RPC 567 at 580.

10. *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd* (2004) 64 IPR 444; [2005] 1 All ER 667; [2004] UKHL 46 at [35].

5 person skilled in the art has access to the file and in any case life is too short for the limited assistance which it can provide. It is however frequently impossible to know without access, not merely to the file but to the private thoughts of the patentee and his advisors as well, what the reason was for some apparently inexplicable limitation in the extent of the monopoly claimed. One possible explanation is that it does not represent what the patentee really meant to say. But another is that he did mean it, for reasons of his own; such as wanting to avoid arguments with the examiners over enablement or prior art and have his patent granted as soon as possible. This feature of the practical life of a patent agent reduces the scope for a conclusion that the patentee could not have meant what the words appear to be saying. It has been suggested that in the absence of 10 any explanation for a restriction in the extent of protection claimed, it should be presumed that there was some good reason between the patentee and the patent office. I do not think that it is sensible to have presumptions about what people must be taken to have meant, but a conclusion that they have departed from conventional usage obviously needs some rational basis.

15 [57] For the foregoing reasons I conclude that claim 1 extends protection to a hangi cooker in which only the second part comprises a cooking chamber. Although, as here, the lower part may well of itself be adapted for some forms of cooking, that consideration cannot confer patent protection which the language of claim 1 does not support.

20 **Infringement**

[58] When this proceeding was filed, the plaintiffs contended that the defendants' single tier UFO cooker (without any extension) infringed the patent. The plaintiffs now accept that infringement occurs only when the UFO cooker is 25 sold with an extension, or when an extension is sold for the purpose of expanding the cooking capacity of the single tier cooker. The concession presumably recognises the need for the defendants' products to consist of interengageable parts before an infringement could arguably arise.

[59] The principal argument for the plaintiffs is that claim 1 is infringed once 30 the UFO extension is added, because when that occurs the particular cooking chamber envisaged in claim 1 arises.

[60] Mr Elliott argues that the fact that some form of (smaller) cooking chamber may have existed in the UFO cooker prior to the engagement of the extension is irrelevant, because once the two parts engage they define a cooking chamber, being the particular cooking chamber referred to in claim 1. At that point the "set of parts" which comprise the cooking apparatus of claim 1 come together in completed form, so as to both create and define a specific cooking chamber as contemplated in claim 1. It matters not, he argues, that prior to engagement, the UFO single tier cooker may have contained a smaller cooking chamber. There is nothing in claim 1 to suggest that there may not be two or more 40 chambers. The UFO single tier cooker contains a cooking chamber but does not infringe because there is no interengageability. But once the extension is added a different (larger) cooking chamber is created and the patent is infringed, because the larger chamber is formed from the interengaged upper and lower parts of the cooker. That is the nub of the argument.

[61] Claim one refers to the two parts of the cooker having an interengageable connection "... in order to define a cooking chamber above set plate means and to provide the cooking apparatus". In its context I consider the word "define" to be equivalent to "create", or "comprise". As earlier discussed I consider that the proper construction of claim 1 leads to the conclusion that it is the second (upper) 50 part that is to comprise a housing capable of containing food to be cooked. The

availability of the plate means in the first part for use in frying or barbecuing is, in my opinion, irrelevant for present purposes.

[62] The second part (or extension) in a UFO cooker does not create or comprise a cooking chamber at all. Rather, it extends the existing cooking chamber which forms part of the first part, so it acts as an extension to the food housing already defined by that first part. I am unable to accept the argument that the extension, together with the first part of the UFO cooker defines a different, larger cooking chamber and is therefore caught by claim 1. A purposive reading of that claim makes it clear that it is confined to cooking apparatus in which the cooking chamber in its entirety is comprised within the second upper part. In the case of the UFO cooker the extension merely extends an existing cooking chamber formed within the lower part. The purpose of the extension is quite different from that of the second (upper) part to which the claim relates. There is no claim in the patent to the second part (the extension) on its own. When the UFO apparatus is compared with that which is the subject of claim 1, the differences are plain.

[63] Moreover, the UFO cooker enjoys none of the advantages claimed for the plaintiffs' cooker. It cannot be broken down in a manner that separates the heating housing and hot plate on the one hand from the food housing on the other. Neither does it offer increased portability over other cookers because the height of the lower part will always include the heating housing together with the food housing. The cleaning advantages claimed in the patent are unavailable in the case of the UFO cooker because in order to clean the base of the cooking chamber, a user will need to reach inside the food housing.

[64] Further, the UFO cooker cannot be used as a barbecue because there is no convenient access to the hotplate as occurs in the case of the cooking apparatus described in claim 1. The hotplate cannot conveniently be reached for that purpose because the cooking chamber sits immediately above it as part of a single piece of apparatus. In order to use the UFO cooker for barbecue purposes, it must be inverted so that the base can be employed as a flat surface upon which to rest a hotplate.

[65] During the course of the trial, the court heard from several witnesses who had themselves constructed hangi cookers of one type or another. They were called by the defence for the principal purpose of establishing prior art in support of the defendants' want of novelty argument. Among these witnesses was Mr Munden who had constructed a tall cooker, perhaps a metre high. Although of different design, Mr Munden's cooker, like the UFO cooker, comprised a heating housing, a hotplate and a food housing, all in a single part or unit.

[66] In cross-examination, Mr Andrews was asked whether, if an extension was added to Mr Munden's cooker it would infringe the patent. Somewhat curiously, Mr Andrews said that it would not. He distinguished between the Munden cooker and the UFO cooker on the sole basis that the Munden cooker was constructed by welding two pieces of metal together, whereas the UFO cooker was constructed from a single piece of stainless steel. I agree with Mr Marriott that this is a distinction without a difference. The patent makes no claim to construction means. The UFO cooker is professionally manufactured from stainless steel sheets, is shiny in appearance and is distinctively finished. Mr Munden's cooker is essentially home made from a different grade of material. It has a dull finish. He has made some sales but the production of his cookers is essentially a sideline activity. The lower portion of the cooker containing the heat

source is welded to the larger upper food chamber. However, at a conceptual level there is no real difference between Mr Munden's cooker and that of the defendants.

5 [67] I conclude that the UFO cooker inclusive of one or more extensions does not infringe claim 1 of the patent. Although the patent includes 20 claims in all, it was not argued that any one or more of the remaining claims, considered apart from claim 1, were capable of justifying an infringement finding. The plaintiffs have failed to make out their infringement claim against the defendants.

10 [68] It is accordingly unnecessary to consider the defendants' affirmative defences in which invalidity of the plaintiffs' patent is pleaded. Invalidity issues are however discussed in the context of the counterclaims.

Counterclaims

15 [69] G & W pleads three causes of action by way of counterclaim. First it alleges that so far as is claimed in any claim of the complete specification, the invention is not new, having regard to what was known or used before the priority date of the claim in New Zealand. In other words, G & W pleads lack of novelty and seeks an order revoking the plaintiffs' patent on that ground.¹¹

20 [70] Second, G & W pleads that the invention, so far as claimed in any claim of the complete specification, is obvious, and does not involve any inventive step, having regard to what was known or used before the priority date of the claim in New Zealand. G & W accordingly challenges the patent on obviousness grounds, and seeks an order revoking the patent on that separate ground.¹²

25 [71] Third, G & W alleges against both the plaintiffs and Mr Andrews that each has engaged in unjustified threats of patent infringement, and seeks appropriate relief on that ground.¹³ G & W claims a declaration that the plaintiffs have engaged in groundless threats, together with an inquiry as to damages suffered by G & W in consequence.

30 [72] I deal with each of these counterclaims in turn.

Want of novelty

[73] Section 41(1)(e) of the Act provides that a patent may, on the application of any person interested, be revoked by the court where the invention concerned, so far as claimed in any claim of the complete specification, is not new, having regard to what was known or used before the priority date of the claim in New Zealand. In passing it is to be noted that to a degree, this provision reflects s 21(1)(b) and (d) of the Act, which sets out certain grounds of possible opposition to the grant of a patent. But it is also to be noted that the requirement in s 21(1)(d) is that the invention be *used* in New Zealand before the priority date of the claim, whereas in s 41(1)(e) the equivalent expression is "*known or used*" so the inquiry is arguably wider where s 41(1)(e) is invoked.

[74] The test for lack of novelty is strict. In *Lucas*, Gault J described the test in the following way:

45 [3] The test for lack of novelty is a strict one. Any use or disclosure relied upon as anticipating the claimed invention must incorporate all of the features of the claimed invention. At the conclusion of a summary of the relevant principles the English Court of Appeal in *General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd* said:

50 11. Section 41(1)(e) of the Patents Act 1953.

12. Section 41(1)(f) of the Patents Act.

13. Section 74 of the Patents Act.

“To anticipate the patentee’s claim the prior publication must contain clear and unmistakable directions to do what the patentee claims to have invented: *Flour Oxidizing Co Ltd v Carr & Co Ltd* ((1908) 25 RPC 428 at 457, line 34, approved in *BTH Co Ltd v Metropolitan Vickers Electrical Co Ltd* (1928) 45 RPC 1 at 24, line 1). A signpost, however clear, upon the road to the patentee’s invention will not suffice. The prior inventor must be clearly shown to have planted his flag at the precise destination before the patentee.”

[75] The prior use to be relied upon must have occurred in a public place or otherwise in circumstances where it is made available to the public for scrutiny.¹⁴ Mere disclosure to a few close colleagues or friends will generally be insufficient.¹⁵ The onus of establishing want of novelty (or prior use) rests on the party seeking revocation.

[76] Mr Marriott refers to *Bristol-Myers Co (Johnson’s application)*,¹⁶ where the House of Lords held the test for secrecy is a subjective one, and that a use will be “known” unless there is a subjective intention to conceal it. He argues that if a prior use occurs at home, and therefore without becoming more widely known, that will be sufficient unless the use has been deliberately concealed.

[77] I do not read *Bristol-Myers* as going that far. I accept Mr Elliott’s submission that G & W needs to do more than simply point to the use of one or more privately constructed cookers at home or in restricted social settings.

[78] Against that background, I turn to the evidence. G & W asks the court to consider each of the integers of the claims and to revoke the patent in respect of those claims which are shown to have been used or known before the priority date. G & W refers to eight separate cookers owned by seven different persons as containing features that were known and used before that priority date. The court is asked to consider each of the eight cookers and to test them against each of the 20 separate claims appearing in the patent. To the extent that any one or more of the cookers is found to possess the features, the subject of a specific claim in the patent, and to have done so before the priority date, the court is asked to revoke that part of the patent as contains the relevant claim.

[79] Given that submission, it is necessary to set out in full the 20 separate claims made in the patent:

WHAT WE CLAIM IS:

1. A set of parts for providing a cooking apparatus comprising at least a first part comprising a housing having a lower portion adapted to receive a heating source and an upper portion including plate means adapted to be heated by said heating source, and a second part comprising a housing capable of containing food to be cooked, the two parts having interengageable connection means such that when the parts are assembled together they engage to unite the parts with the lower portion of the second part engaging the upper portion of the first part to define a cooking chamber above the said plate means and to provide the cooking apparatus.
2. A set of parts for providing a cooking apparatus as claimed in claim 1, further including a lid adapted to fit into either the first or the second said parts

14. *Boyce v Morris Motors Ltd* (1927) 44 RPC 105 at 147 (CA).

15. *Emolculon Research Corporation v CBS* 793 F2d 1261,1265-6 USPQ 805.

16. *Bristol-Myers Co v Beecham Group Ltd* [1974] AC 646; [1974] 1 All ER 333; [1975] RPC 127 (HL) (*Bristol-Myers*).

3. A set of parts for providing a cooking apparatus as claimed in either claim 1 or claim 2 further including at least one receptacle to contain the food to be cooked.
4. A set of parts as claimed in claim 3 in which the receptacle, or if appropriate the receptacles, is/are mesh baskets.
5. A set of parts for providing a cooking apparatus as claimed in any one of the preceding claims, wherein the plate means is adapted to hold smoke or essence releasing substances, or water.
6. A set of parts for providing a cooking apparatus as claimed in any one of the preceding claims, wherein the first part is provided with means for ventilation.
7. A set of parts for providing a cooking apparatus as claimed in any one of the preceding claims, wherein the first part and the second part are so dimensioned that the second part fits contiguously into the first part with swages provided to regulate depth of overlap.
8. A set of parts for providing a cooking apparatus as claimed in any one of the preceding claims, wherein the second part is provided with receiving means to hold in place receptacles to contain food.
9. A set of parts as claimed in any one of claims 1 to 7 wherein the food to be cooked is placed in one or more mesh baskets and in which the first basket is provided with legs to support it directly on to the plate means and any subsequent baskets are supported by the basket below.
10. A set of parts for providing a cooking apparatus as claimed in any one of the preceding claims, wherein the heating source is a gas burner.
11. A set of parts for providing a cooking apparatus as claimed in any one of claims 1 to 9, wherein the heating source is a fire.
12. Cooking apparatus when assembled from a set of parts as claimed in any one of the preceding claims.
13. A method of cooking food comprising assembling a set of parts as claimed in any one of claims 1 to 11, supporting the uncooked food in the said cooking chamber, providing a heat source in said first part and heating the plate means so that the food in the cooking chamber is subjected to heat.
14. A method as claimed in claim 13, wherein any meat to be cooked is in frozen form.
15. A method as claimed in claim 13 or claim 14, wherein grams of manuka sawdust arrive placed on the plate means so that the food is subjected to the smoke and flavouring released therefrom during heating.
16. A method as claimed in claim 13 or 14, wherein water is contained on the plate means so that the food is subjected to steam released therefrom during heating.
17. A method of cooking food comprising providing a heat source for the said first part of the set of parts as claimed in claim 1 or claim 2, placing the food to be cooked directly on to the said hot plate and heating the plate means.
18. A set of parts for providing a cooking apparatus substantially as herein described with reference to the accompanying drawings.
19. A cooking apparatus as herein described with reference to the accompanying drawings.
20. A method of cooking food, substantially as herein described with reference to the accompanying drawings.

[80] It will immediately be seen that the claims are in a sense substantially iterative or sequential in that each of claims 2–19 are linked back to claim 1, either directly (in the case of claims two and three) or indirectly by incorporated reference (in the case of claims 4–19). Claims 18–20 are not directly referenced to claim 1 but refer instead to the “accompanying drawings” which are pictorial representations of the claim appearing in claim 1. I see no reason to distinguish

between claims 1–17 and claims 18–20 respectively. In my view the claims do not reach and are not intended to reach cookers, including single tier cookers, which do not fall within claim 1. Accordingly, the single chamber cookers of Mr Adams (Ex A1), Mr Belfield (Ex A2), Mr Richardson (Ex A5) and Mr Munden (Ex A7), are unavailable as prior art, because none possessed any form of interengageable connection.

[81] That leaves for consideration the cookers of Mr Hakaraia (Ex A4), Mr Richardson (Ex A6), Mr Hartwell (Ex A8) and Mr Dil (Ex A9).

[82] Mr Elliott submits that Mr Richardson’s A6 two tier cooker ought not to be considered either, because it did not have a first housing means adapted to receive a heating source, but simply involved the application of a flame directly to the underside of the lower chamber. I accept his submission that the Richardson A6 cooker does not fall within claim 1, and therefore cannot be considered for prior art purposes. Nevertheless, for completeness, I will include this cooker in the list of those which require further attention.

[83] The contest in respect of these remaining cookers is whether in each case G & W has established that it was used or known before the priority date.

The Hartwell cooker

[84] I start with Mr Hartwell’s cooker (Ex A8). Mr Elliott accepts that if it is shown to have preceded the priority date, then the Hartwell cooker is highly relevant because at least arguably, it contains all of the features of claim 1 of the patent.

[85] Mr Hartwell is a self-employed engineer who has been in engineering for most of his life. He has been a contractor for the past 11 years or so. Prior to that he worked at the Kinleith Mill in Tokoroa between 1992 and 2002. He says that he saw his first hangi style cooker in the mid-1980s. They were made out of pipe with a single cooking chamber. He started to make cookers himself, obtaining the stainless steel from the Kinleith Mill. He says he first came into contact with the style of twin chamber cooker around the early to mid-1990s. He saw one at an end of year party at the mill, and that gave him the idea to build his own two piece cooker. He says he made his first twin chamber cooker in 1996, and constructed a total of three such cookers prior to October 1998. He retains the first one but does not know where the others are. That first cooker is Ex A8. He says that he is sure that this first cooker was constructed in 1996 because at that time he had moved into the Maintenance Division of the Kinleith Mill and was doing shift work which allowed plenty of time for private work or “home jobs”. He says he used this first cooker many times at family gatherings and functions before October 1998, and that he continues to use it today. He has replaced two of the pots which go in the twin chamber cooker, but the rest of the pots and the twin chamber cooker itself is unchanged from when he made it in 1996.

[86] Mr Elliott is highly critical of Mr Hartwell’s evidence on a number of grounds. The first is a submission about Mr Hartwell’s overall reliability. This is based upon an acknowledged connection between Mr Hartwell and a Mr Searl, who was to have given evidence for the defendant and to have produced his own cooker. At some point not long before the trial Mr Searl withdrew from participation and declined to give evidence. Mr Elliott says that was because certain witnesses for the plaintiffs had established that the Searl cooker had been fabricated after July 2010, contrary to Mr Searl’s account. Mr Elliott submits that

Mr Hartwell's association with Mr Searl suggests that considerable care should be exercised before accepting Mr Hartwell's evidence.

5 [87] In my view, this is altogether too long a bow to draw. The court has no direct evidence of the circumstances in which Mr Searl dropped out of the proceeding, nor is there direct evidence about the problems of his cooker. The mere fact that Mr Hartwell knows Mr Searl is quite insufficient in my view to enable the court to draw any adverse inferences about Mr Hartwell's credibility or reliability.

10 [88] Mr Elliott is also concerned about Mr Hartwell's apparent friendship with Mr Mitchell, the second defendant and a director of G & W. Mr Elliott implies that the court ought to be concerned about the fact that Mr Hartwell maintained direct contact with Mr Mitchell during the period leading up to the trial. Presumably the argument is that Mr Hartwell ought to have dealt through solicitors and patent attorneys. Be that as it may, a friendship or acquaintanceship
15 between Mr Mitchell and Mr Hartwell cannot in my view affect the court's view of Mr Hartwell as a witness. It is relatively routine, in my experience, for officers of a small company to play an active part in identifying and liaising with potential witnesses in civil proceedings.

20 [89] Next Mr Elliott is critical of Mr Hartwell's apparent ability to remember the precise year in which he manufactured his first two tier cooker, while at the same time being quite unable to remember to whom he sold (by barter) the other two cookers prior to October 1998. Mr Hartwell disclosed that he was a recovering stroke victim who had some trouble with short-term memory "... and
25 things like that".

[90] Here Mr Elliott is on stronger ground. There is nothing at all to corroborate Mr Hartwell's claim that his first two tier cooker was made in 1996. He is unable to remember the identity of either of the two people to whom he sold similar
30 cookers prior to October 1998, and he readily concedes that his memory is defective.

[91] Mr Elliott observes further that it is remarkable that Mr Hartwell could remember a number of features of the first twin cooker he saw at a social function, but that he could not remember who owned it. I would not invest that
35 circumstance with any great importance. It would have been the cooker itself rather than the identity of the owner that would have made a particular impression at the time, in my view.

[92] Of greater importance is a series of related issues with respect to the condition of Mr Hartwell's A8 cooker. In his evidence in chief, Mr Hartwell
40 explained that he used his twin chamber cooker as both a smoker and a steamer. But in cross-examination he denied ever using it as a smoker. In doing so, he accepted that his brief of evidence had been inaccurate in that respect.

[93] Mr Elliott submits that Mr Hartwell resiled from his earlier evidence in order to try to explain why his 17-year-old cooker bore little sign of heat staining
45 and was in generally pristine condition, despite having been used as a cooker weekly for several years at least, and for smoking food. There is ample evidence,

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which I accept, that prolonged use of hangi cookers will over time produce heat staining in the vicinity of the heating source that is hard to eradicate.¹⁷

[94] Mr Hartwell said in evidence that his cooker had been used at least 100 times in 2007 and 2008. He said that he put meat directly in the bottom pot or basket with no wrapping.

[95] Mr Andrews and Mr Wallace (the plaintiffs' expert witness) gave evidence of an experiment in which a cooking operation was conducted in a similar cooker on four successive occasions using wrapped meat. Following each operation the cooker was scrubbed with coarse steel wool which could not remove all of the cooking stains. Yet Mr Hartwell's cooker is virtually spotless. Mr Hartwell's explanation was that he took a great pride in the appearance of his cooker and that he would buff the most affected parts after each cooking operation. He explained the fact that there is a degree of minor heat staining in one area of his cooker by indicating that his buffing activities were selective.

[96] Mr Hartwell also explained that the sparkling condition of his cooker was due in part to his routinely using pickling acid to improve its condition. Pickling acid is often used by engineers to clean up after welding work, but it requires the taking of significant protective precautions, and is not normally used on surfaces that would be exposed to food. Mr Wallace and Mr Richardson (owner of another cooker) were agreed on that.

[97] Mr Wallace gave evidence that, following the four experimental cooks in a test cooker conducted by him and Mr Andrews, full strength welder's pickling acid was unable to remove heat oxidation discoloration.

[98] Mr Elliott also characterised as unsatisfactory Mr Hartwell's evidence about the interior baskets or pots. At one point Mr Hartwell discarded and replaced two of his four pots because he considered them to have been ugly. But the two older pots are shiny and look much newer than the more recent two. Moreover, Mr Wallace found a burr on one of the pots which he considered indicated very recent cutting work. Given the ongoing use of the pots, Mr Wallace was of the view that the burr would not be retained for very long and would be knocked or rubbed off in due course.

[99] I accept Mr Elliott's submission that this suggests that the pot concerned is of much more recent provenance than is claimed.

[100] Mr Elliott advanced further detailed submissions to the effect that the evidence suggests that the upper tier of Mr Hartwell's cooker appeared to be much more recent than the lower tier. First the area around the handles of the upper tier bore fresh pickling acid marks, whereas the handles of the lower tier did not. Mr Hartwell accepted in cross-examination that that was so. He thought that might have occurred because he had cleaned the area around one set of handles more regularly or frequently than was the case with the other set of handles.

[101] Further, there were fresh pickling acid marks inside the upper tier container, aligned with the handle position, but no such fresh marks inside the corresponding positions of the lower tier. As Mr Elliott submits, that tends to

17. That much is obvious from a number of the photographs included in the bundle. See also the brief of evidence of Mr Wallace at paras 38-45 and Mr Andrews' brief (August 2013 at para 13). Mr Wallace who has 47 years fulltime experience in the sheet metal trade gave evidence for the plaintiff as an expert witness.

suggest that the welding of the handles for the upper tier was in all probability conducted more recently than the welding for the handles to the lower tier.

5 [102] There was also an issue concerning the state of a red painted line around the circumference of the upper tier. Although the two tier cooker is said to have been in existence for 17 years, the red paint line appears to be substantially intact, with no signs of peeling from heat exposure or wear.

10 [103] Mr Wallace said that a similar tier (formed as in the Hartwell cooker from an old beer keg) used for just four test cook-ups, bore plain evidence of the red paint stripe flaking off. Mr Hartwell himself considered that there was no difference in the heat inside the upper and lower tiers, because steam rose right to the top of the cooker.

15 [104] It is also of some considerable interest that Mr Hartwell's cooker bears black pen marks at the centre position of the top keg handle. The pen marks smudged easily despite his initial claim that they would have dated from the original construction of the cooker. Mr Hartwell's explanation was that the line was there to help assemble the two tiers of the cooker, but there was no corresponding mark on the lower keg with which to align the mark on the upper keg.

20 [105] Of itself the point is perhaps of only moderate significance, but it does assist when considered with other evidence in reaching a conclusion as to the provenance of the cooker, and more particularly the upper tier.

25 [106] Next, Mr Elliott refers to the existence of welding soot confined to the area surrounding a weld mark inside the upper tier, in line with the point where the handles have been welded. The mark was there at Mr Andrews' first inspection of the Hartwell cooker, but was gone when it was later inspected. Mr Hartwell accepts that that is so.

30 [107] I accept Mr Andrews' evidence that the presence of so-called welding soot indicates a relatively fresh weld which would sit lightly on the surface when a new weld is made, but in time would disappear. That also suggests that the cooker, or at least the relevant tier, is of much more recent provenance than is claimed.

35 [108] Mr Wallace made a further point in his evidence. The metal parts engage or clash with each other frequently. The clashing zone becomes evenly marked or scoured over time. That results from fitting the parts together and twisting them. He said it would not be expected that vertical lines would be visible in the clash zone, but here they were.

40 [109] Mr Hartwell explained that from time to time he polished the affected area with Scotchbrite or a flapper disk. But it is difficult to understand why he would go to that trouble when the surfaces concerned interengage, and would not normally be visible. I accept Mr Elliott's submission that the absence of widespread abrasion tends to suggest that the cooker as a whole, or at least the upper tier, is of more recent provenance than is claimed.

45 [110] Finally, there is the question of the beer keg serial number. Mr Hartwell's cooker, like a number of others, is constructed from what were originally beer kegs. Each keg bears a serial number. The lid of the cooker was part of an original keg, but it has been cut (in order to form a handle) in such a way that part of the keg's serial number has been removed. It is common ground that had the whole of the serial number been visible, then the date of manufacture of the keg could readily have been ascertained. Mr Elliott says it is open to the court to infer that

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the cut was deliberate in order to prevent the plaintiffs from properly investigating the date of manufacture of the keg. I am not prepared to draw that inference. To do so would be to make a finding that Mr Hartwell (and presumably the defendants) were attempting to mislead the court. Had that been the intention then there seems to be no reason why the whole of the serial number would not have been removed.

[111] Having said that, I am left in a state of overall concern regarding the provenance of Mr Hartwell's cooker. The various points made by Mr Elliott in reliance to some degree on Mr Wallace's evidence, which I accept, give rise to a troubling doubt about the provenance of Mr Hartwell's cooker. I am not satisfied that G & W has established that the cooker constitutes prior art for the purpose of the claimed revocation ground of want of novelty.

The Richardson cooker

[112] I turn to Mr Richardson's evidence. He has been a stainless steel fabricator for more than 30 years. He became familiar with traditional hangi style cooking through his wife's grandfather in the 1970s. Considering that there had to be a better way of producing hangi style food, he developed his first hangi style cooker from a beer keg in "around 1984". Mr Richardson identified photographs of a single keg cooker identical to the original cooker, and made by him approximately 17 years ago. He says he has made many single tier cookers in that style.

[113] In about 1986 he developed a taller version of the single tier cooker, which utilised two beer kegs. He produced further photographs of his twin tier cooker. He said that the basic design has remained unchanged since then and that the lower tier was designed to rest on a single gas burner which would heat the base of the lower tier or keg. Since 1986 he has made only about four double tier cookers in that style, three of them prior to October 1998.

[114] Mr Richardson claims that the twin tier cooker (Ex A6) was sold in 1986 to his partner's uncle Warren, who lives in Levin. Mr Richardson said he was aware that this particular cooker was used at many family gatherings prior to October 1998, in order to steam and smoke food in the hangi style.

[115] Mr Elliott submits that Mr Richardson's evidence is unsatisfactory for several reasons. First, the evidence is inconsistent with the evidence of Mr Henderson, a design engineer from Fisher & Paykel Ltd. Mr Henderson said that the steel Mr Richardson had used for the sides of his food baskets or buckets was from the barrel of a Fisher & Paykel Smartdrive washing machine. He had little difficulty in recognising the profile of the washing machine barrel which incorporated distinctive holes or slots, designed to assist in the washing process. Mr Henderson's evidence was that Fisher & Paykel used that steel profile in its washing machines for the first time in 1991, some 5 years after Mr Richardson claimed to have used the buckets to construct the cooker.

[116] I accept Mr Henderson's evidence, which of itself raises a concern about Mr Richardson's recollection at least. Questions and cross-examination on other topics soon established that Mr Richardson's recall was suspect. He was unable to remember a photograph taken just 18 months ago in which he and Mr Adams were depicted, along with a cooker. Mr Adams gave evidence that the photograph was taken by Mr Mitchell after the commencement of the proceedings. Moreover, even though Mr Richardson says that he gave his three other twin tier cookers to family members, he was unable to name any one of them.

[117] I accept Mr Elliott's submission that if Mr Richardson is unable to remember the taking of important photographs to be used in litigation just 18 months ago, the reliability of his memory of events occurring several decades ago must be suspect.

5 [118] At a more practical level, there is in my view substance in Mr Elliott's submission that the food baskets (or buckets), used in Mr Richardson's cooker, seem far too shiny and pristine to have come from a hangi cooker made and used since 1986, certainly in the context of Mr Richardson's claim to have been aware of the use of the cooker to both steam and smoke food in the hangi style at many
10 family gatherings.

[119] I turn now to the question of Mr Richardson's drawings. These were said to have been prepared by him when sitting at a dining room table with his uncle Warren in 1986. Mr Richardson said that he prepared the drawings himself, and that his uncle wrote the measurements and notes around it. In the bottom left
15 hand corner of one of the drawings, there is a notation that begins "Wayne [Mr Richardson] can you ...". Mr Elliott submits that there would be no need to refer to "Wayne" in that way if they were indeed sitting next to one another, and that it is reasonable to infer that the drawing was made not by Mr Richardson and his uncle Warren, but rather given to Mr Richardson by some other person, as
20 part of a request for him to make another cooker.

[120] I accept Mr Elliott's submission that the provenance of the drawings must be open to doubt and that they do not add weight to Mr Richardson's claim to have made his first cooker for his uncle Warren.

25 [121] As with Mr Hartwell's cooker, there is an issue concerning the absence of heat (oxidation) staining. Mr Wallace gave evidence of a much greater degree of oxidation staining after only four cook-ups with a test cooker made to match the Richardson cooker. The absence of brown heat staining at the base of the lower tier of the Richardson twin tier cooker suggests that it has not been used to the extent claimed by Mr Richardson, and casts further doubt on the date upon
30 which the cooker was first constructed.

[122] Finally, as with the Hartwell cooker, the Richardson twin tier cooker carries a brewery red paint line around the circumference, which has not peeled or flaked off to any extent. That suggests either that the cooker has not been used
35 to the extent claimed (that would be consistent with the state of the buckets or baskets), or alternatively that it is of more recent manufacture than is claimed.

[123] As I have earlier indicated, I do not consider the Richardson A6 cooker to fall within claim 1. But even if it did, I am not satisfied that G & W has established that it constitutes prior art for the purposes of its claim to revocation
40 based upon want of novelty.

The Hakaraia cooker

[124] Mr Hakaraia said that between 1987 and 1999 he was employed at the Richmond freezing works in Otaki as a maintenance worker. In 1996 he was
45 involved at the freezing works with a group of friends who built a cooker. It seems that a Mr Sid Waikara did most of the construction work. Mr Hakaraia says the cooker was originally made in order to cook a large amount of food for the annual summer tournament of the Otaki Squash Club in February 1997. The inspiration for the hangi cooker came from other cookers that had been used on his marae where old copper washing machines had been adapted, and stainless
50 steel baskets had been fabricated to sit on top of the coppers, so enabling food to be steamed in hangi style.

[125] He says that over the years, the cooker has been used at many events including funerals, weddings and gatherings, and that it would have been used at least half a dozen times in 1997 alone. It is generally stored at his house and has remained unchanged or altered since built in 1996.

[126] The Hakaraia cooker lacks certain of the features appearing in claim 1. Most importantly, it can only function as a steamer or hangi cooker if the hotplate is first removed from the heating base part. In other words, when engaged in steaming or hangi cooking, the first part or heating base has no “plate means”, so the Hakaraia cooker cannot be used in both barbecue and hangi modes. The plate means must be reconfigured in order to achieve that. The cooker does not fall within claim 1 and cannot therefore constitute prior art for the purposes of want of novelty revocation claim.

[127] Quite apart from that, it would in my view be unwise to rely too heavily on Mr Hakaraia’s uncorroborated evidence. Although he says that he can remember that the cooker was used at two successive squash tournament functions in the summer before the freezing works closed in mid-1999, he is unable to remember any of the other events at which he says the cooker was used before the priority date. He specifies funerals and weddings, but cannot remember where or when. Neither can he provide the names of any of the people centrally involved on those occasions.

[128] Moreover, there is a concern that Mr Hakaraia’s evidence may be the product of the combined recollections of his friends and acquaintances. When questioned about how he could be so specific as to the use of the cooker in 1997, he said that he had spoken to “some of those guys”, and that it was used “two or three times before the works closed”.

[129] In my view this is not evidence upon which it would be safe to rely when such an important issue is at stake. It is for G & W to establish that there was a relevant use or knowledge prior to the priority date. I consider that it has failed to do so in so far as Mr Hakaraia’s evidence is concerned.

Mr Dil’s cooker

[130] Mr Dil also gave evidence of his involvement in the manufacture of hangi style cookers. G & W relies on his evidence, although none of his cookers was produced to the court as an exhibit. He says that he and his father made portable cookers when he was growing up on Waiheke Island. He produced two sketches of those cookers, prepared after the proceeding was commenced. They were made primarily from old beer kegs, cut down drums or old hot water cylinders.

[131] Between 1991 and 1995, Mr Dil worked as a trainee apprentice fitter and welder. During that period he was able to construct a number of cookers as a sideline. In general terms, he claims that the patent relates to a portable cooker that is similar, if not identical, to the many portable cookers he himself had seen and made well before 1998.

[132] Mr Dil produced three photographs of cookers made from old beer kegs. He said that the first photograph was taken in 1977–78 and the second and third were of a cooker made by his uncle before 1995. The one tier cookers depicted in two of the three photographs referred to by Mr Dil were not pleaded and are the subject of an objection by the plaintiffs, pursuant to High Court Rules 22.19 and 22.20. The objection is well made, but in any event the photographs are of limited probative value. His evidence about them is entirely hearsay and it is

simply not possible from the photographs to determine whether, and to what extent, the cookers depicted mirror the cooker the subject of claim 1.

5 [133] Mr Dil also produced a photograph said to be of a steamer used at the White Lady mobile burger bar in Fort St Auckland, but it simply depicts an alleged steamer from the outside. Nothing is known of its internal construction, and the photograph is undated. It is of no probative value.

10 [134] Next there is the cooker said to be depicted in the drawings prepared by Mr Dil after this proceeding commenced. Again, the plaintiffs object to the admission of these drawings on the ground that the provisions of r 22.20 have not been complied with. That rule requires the defendants to supply an address of the prior use by way of particulars, so that allegations concerning it could be properly investigated.

15 [135] In consequence, the plaintiffs have been unable to conduct any investigations, and indeed, Mr Dil cannot explain where any of the cookers depicted in his recent drawings may now be found.

20 [136] It may be thought that if the defendants were serious about relying upon Mr Dil's cooker there would be some corroborating evidence from family members or other persons who may have come into contact with the cookers. Mr Dil claims to have made one two tier cooker, and one three tier cooker, but nothing more. The two tier cooker is said to be the one depicted in the drawings; the three tier cooker is not in evidence and has never been pleaded.

25 [137] In my view, Mr Dil's drawings and his evidence about having built multi-tier cookers are of negligible evidential value. Much more is required of a party who seeks to revoke a patent on the ground of want of novelty.

Conclusion

30 [138] In summary, I consider that the evidence as to want of novelty, considered in its entirety, falls far short of establishing a case for revocation of the patent on that ground. The strict test referred to by Gault J in *Lucas* has not been met.¹⁸ The defendants bear the onus of proof, which they have failed to discharge. That aspect of the claim to revocation is accordingly dismissed.

35 [139] For completeness, I mention a further point made in passing by Mr Marriott. He suggests that the court ought to be cautious about accepting Mr Andrews' claim to have created the Multi Kai cooker from sketches only, without any prototype or experimentation. Construction and use of a prototype before the priority date may have the effect of invalidating the patent. There is no evidence at all of the existence of a prototype. Mr Andrews has had decades of experience in sheet metal manufacturing. I am not prepared to draw the inference that he could not have made his patent application without constructing a prototype.

Obviousness

45 [140] Section 41(1)(f) of the Act empowers the court, on the application of any person interested, to revoke a patent where the invention concerned so far as claimed in any claim of the complete specification, is obvious and does not involve any inventive step, having regard to what was known or used before the priority date of the claim in New Zealand.

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¹⁸ *Lucas* above n 1 at [3].

[141] G & W invokes this subsection and seeks an order revoking the plaintiffs' patent on the ground of obviousness. In its particulars of invalidity dated 21 March 2012 (but filed on 22 March 2013), G & W (the counterclaim plaintiff) pleads:

The Counterclaim Plaintiff says that the "common general knowledge" in the relevant industry as at the priority date was that:

7. (a) Cookers consisting of:
 - (i) a base (with or without ventilation);
 - (ii) one or more removable stacking units;
 - (iii) a lid, and
 - (iv) heated by gas or other types of fire;Were used for cooking and in particular steam cooking (hangi) or smoking food.
 - (b) Baskets were used to hold the food to be cooked in the cooking unit(s).
 - (c) If the cookers were used to smoke food, there is a means (using a plate or internal tube) for heating the material which, when heated, will smoke the food. The heated material is usually sawdust and more usually manuka sawdust. For steam cooking, water is put on the plate to create the steam.
 - (d) In some instances, food can also be cooked on the plate itself.
 - (e) In some instances, the cookers were able to be assembled and disassembled.
8. The Counterclaim Plaintiff will also rely on the knowledge of the Second Counterclaim Defendant about cookers of the type referred to in paragraph 7 hereof.

[142] Obviousness is to be considered through the eyes of the notional skilled addressee who is unimaginative and unable to think laterally or inventively.¹⁹ The proper approach was summarised by the Court of Appeal in *Ancare*,²⁰ where Gault J, writing for the Court of Appeal said:

[43] That aside, the test is well established. It postulates a person (or, where appropriate, a team) skilled in the field but not inventive, invested with the common general knowledge available in the field at the priority date, presented with the prior knowledge or prior use relied upon. Prior documents may be looked at together if that is what the skilled person or team would do. It asks whether to that person or team the alleged inventive step would be obvious and would be recognised, without bringing to bear any inventiveness, as something that could be done or is at least worth trying. That is a question of fact. If any embodiment within the scope of the claim is obvious the claim is invalid. These propositions are helpfully expanded upon in the recent English cases which are still applicable though under the 1977 Act; see the *Windsurfing International* case, *Hallen Co v Brabantia (UK) Ltd* [1991] RPC 195 at 211, and *Mölnlycke AB v Procter & Gamble Ltd (No 5)* [1994] RPC 49 at 112.

[143] Gault J's summary was approved by the Supreme Court in *Lucas*.²¹

[144] The notional skill addressee is presumed to be a skilled technician, knowledgeable in the relevant literature, including patent specifications, but incapable of a "scintilla of invention".²²

19. *Pfizer Ltd's Patent* [2001] FSR 16; [2000] EWHC 49 at [62].

20. *Ancare* at [43] (n 7).

21. *Lucas* (n 1) at [54].

22. *Technographic Printed Circuits Ltd v Mills & Rockley (Electronics) Ltd* [1972] RPC 346 at 355.

[145] It is well established that the level of inventiveness required to warrant patent protection is small; a mere scintilla of inventiveness is enough to confer validity on a patent.²³ A combination of known features may be the subject of a valid patent.²⁴

5 [146] The proper assessment process when considering a claim of obviousness is well established. It requires the court to:

- (a) Identify the inventive concept;
- (b) Assume the mantle of the normally skilled but unimaginative addressee, imputing to that addressee the things which were common general knowledge;
- 10 (c) Identify the differences between what the patent claims and the prior use relied on; and
- (d) Determining whether the differences constitute steps that would have been obvious to the addressee.²⁵

15 [147] The test for obviousness requires the court to impute that which was common general knowledge to the skilled addressee. The defendants have the burden of establishing just what that knowledge was. The mere fact that a few people may possess the relevant knowledge does not justify a conclusion that the notional skilled addressee must necessarily possess the same knowledge. It is
20 common ground that in making the necessary assessment the court ought carefully to avoid the use of hindsight.²⁶

[148] I have noted above the four step approach to the relevant assessment as set out in *Windsurfing International*. In undertaking the assessment, the court almost always has the assistance of expert evidence. As was said in *Molnlycke AB v Proctor & Gamble Ltd*,²⁷

25 The Act requires the court to make a finding of fact as to what was, at the priority date, included in the state of the art and then to find again as a fact whether, having regard to that state of the art, the alleged inventive step would be obvious to a person skilled in the art.

30 In applying the statutory criterion and making these findings, and court will almost invariably require the assistance of expert evidence. The primary evidence will be that of properly qualified expert witnesses who will say whether or not in their opinions the relevant step would have been obvious to a skilled man having regard to the state of the art. All other evidence is secondary to that primary evidence.

35 [149] The authors of *Terrell on the Law of Patents* comment:²⁸

40 The primary evidence is therefore that of an expert witness called by the parties, who can give evidence as to the identity and attributes of the skilled person or team, the common general knowledge which they would possess and the way in which such persons would, as a matter of routine, approach problems in the relevant art. The expert evidence can also identify steps which would either be routine, or require a degree of lateral thinking and hence not be obvious to the skilled person.

23. *Myers Taylor Pty Ltd v Vicarr Industries Ltd* (1977) 137 CLR 228; 13 ALR 605; 1A IPR 181.

45 24. *Radiation Ltd v Galliers & Klaerr Pty Ltd* (1938) 60 CLR 36 at 51–2; *Sunbeam Corp v Morphy-Richards (Aust) Pty Ltd* (1961) 180 CLR 98 at 113; 1B IPR 625 at 635.

25. *Wind Surfing International Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59 (CA) at 73–4 (*Windsurfing International*) followed in *Lucas v Peterson Portable Sawing Systems Ltd* (SC) at [54].

26. *Smaile v North Sails Ltd* [1991] 3 NZLR 19 at [50].

27. *Molnlycke AB v Proctor & Gamble Ltd* [1994] RPC 49 at 112.

50 28. Richard Miller et al, *Terrell on The Law of Patents* (17th ed) Sweet & Maxwell, London, 2000 at [12–45].

[150] In the present case, G & W has not led any expert evidence as to what common general knowledge existed, or as to what the skilled addressee would have thought or done. The court therefore has no expert assistance as to what might be regarded as novel and inventive. Against that background, the court must undertake the four step assessment outlined in *Windsurfing International* without the expert evidence which is almost always available.

[151] The first step requires the court to identify the inventive concept embodied in the patent. The concept in this case is the element of interengageability which separates the cooking chamber in the upper part from the heat source and plate means in the lower part, with the consequential practical advantages set out in the complete specification.

[152] Next the court must determine what was, at the priority date, common general knowledge in the art in question. It is here that the court encounters difficulties for want of evidence.

[153] Earlier I have held that I was not satisfied that the Hartwell, Richardson, Hakaraia and Dil cookers existed prior to the priority date. It is common ground that a range of one piece cookers were on the market in October 1998, and that those cookers were used to steam and smoke food. They were typically of single piece construction, heated by gas, and had a lid. Many employed water for steaming and sawdust for smoking. But there is no reliable evidence that it was common general knowledge that cookers had one or more removable stacks, and that they were able to be assembled and disassembled.

[154] I accept Mr Elliott's submission that, from the evidence given by the owners of various cookers, it is relatively clear that the generally accepted view as at 1998 was that one piece cookers were acceptable for this type of cooking. Accordingly, as at the priority date, there is no evidence to suggest that any of the witnesses felt any need to consider redesigning their cookers. By way of example, Mr Adams, when discussed his one piece cooker, accepted that it was perfectly satisfactory and constituted an acceptable engineering solution for him. Mr Hakaraia accepted that his cooker was essentially just a "big pot on an open flame". Mr Belfield was likewise content with his design, indicating that the fact that he had modified the handles of his food receptacles, made his cooker "quite an innovative design for the time".

[155] There is nothing to suggest that at the priority date, anyone was contemplating research or investigations that might lead him or her down a path similar to that trodden by Mr Andrews.

[156] Given that almost all of the witnesses were content with their single tier cookers, and in the absence of any expert evidence to the contrary, it cannot be said that an unimaginative addressee in the art as at the priority date would have contemplated the steps actually undertaken by Mr Andrews.

[157] The third step requires the court to identify what, if any differences exist between the matters known or used (that is, common general knowledge) and the patented invention. The principal difference is, of course, the separation of the cooking function from the remainder and the provision of interengageable parts.

[158] The fourth step is to consider whether the differences constitute steps which would have been obvious to the skilled addressee, or whether they require any degree of invention. I am satisfied that they do, and that the case for revocation for obviousness has not been made out. In reaching that conclusion, I have accepted Mr Elliott's submission that Mr Andrews took a truly inventive step when he devised the multi-purpose portable cooker described in claim 1 and

indeed in the complete specification. The patent is for a cooking apparatus with separate upper and lower chambers that are interengageable and which confer several advantages over previously known portable cookers, such as portability, ease of access for cleaning and versatility.

5 [159] In determining the question of obviousness, the court is entitled to take into account certain secondary considerations, including the commercial success of the subject of the invention.²⁹ Two of the relevant factors are:

- 10 (a) The extent to which it can be shown that the commercial success of the invention is due to its technical merits in so far as they solve the problem;
- (b) The manner in which the invention has been received, particularly by competitors.

15 [160] There is substantial evidence to the effect that plaintiffs' Multi-kai cooker has been markedly successful. It has enjoyed significant sales over a period of some years. I infer that at least to some extent, the level of sales reflects the practical advantages claimed for the cooker.

[161] Moreover, Mr Dil himself is complimentary in his assessment of the Multi-kai cooker. In evidence he said:

20 Mr Andrews has actually got a very nice product, it's a great product ...

25 [162] Mr Marriott identified some 16 features of cookers in existence and therefore known or used prior to the priority date. He submits that they are therefore deemed to have been within the knowledge of the notional skilled addressee at or before that date, and that in consequence it would have been obvious to that addressee to use each of those features or methods within an apparatus such as that claimed in claim 1. Accordingly, he argues, the claims in the patent differ only in aspects that would have been obvious to the notional skilled addressee, vested with the common general knowledge at or before the priority date.

30 [163] The difficulty with this submission is that it is made in an evidential vacuum. The defendants' counterclaim witnesses did explain to a greater or lesser degree, how it was that their respective cookers came into existence, and the need they were designed to meet. But there was no evidence as to the nature of the skilled addressee, the common general knowledge such an addressee would possess, or the way in which a skilled person would, as a matter of routine, approach relevant problems. Neither was there evidence about the degree of lateral thinking (or lack of it) necessary to identify the solution reflected in claim 1.

40 [164] Messrs Adams, Belfield, Richardson, Munden, Hartwell, Hakaraia and Dil all gave evidence for the defendants. All of them are claimed by Mr Marriott to have constructed their cookers without employing any inventiveness, but rather by relying on what they knew, had seen, or had had described to them, using materials that were readily available. But for the most part, these witnesses
45 were content with a single tier cooker and had not, at the priority date, addressed the issue of an extension, or the provision of interengageable parts. There is no evidence at all to support the claim that the precise solution devised in claim 1 was obvious.

50 ²⁹. *Haberman v Jackel International Ltd* [1999] FSR 683; *Sealed Air NZ Ltd v Machinery Developments Ltd* HC Wellington CIV-2003-485-2274, 25 August 2004.

[165] The absence of expert evidence has significantly hampered the court in the course of making the necessary assessment. Ultimately, that tells against G & W, which bears the onus of proof.

[166] Finally, I should mention the need in the ordinary run of cases, for the court to consider in an obviousness context, each individual claim. That is because there may in any given claim be a discrete inventiveness aspect. It is not feasible to undertake such an exercise in this case for two reasons. First the necessary element of inventiveness is to be found in claim 1. The plaintiffs do not suggest that any of the remaining claims, standing alone, required an inventive step. The structure of the claims makes it clear that claims 2–20 must be read alongside and in association with claim 1.

[167] Second, a claim by claim analysis requires the assistance of expert evidence in my view. It would not be satisfactory for the court to undertake an obviousness assessment for each of claims 2–20, on the basis of what would be little more than judicial impression.

[168] For the foregoing reasons, G & W's obviousness argument fails. It follows that the application for revocation of the plaintiffs' patent must also fail.

Claim for groundless threats of infringement proceeding

[169] Section 74 of the Act provides:

74 Remedy for groundless threats of infringement proceedings

(1) Where any person (whether entitled to or interested in a patent or an application for a patent or not) by circulars, advertisements, or otherwise threatens any other person with proceedings for infringement of a patent, any person aggrieved thereby may bring action against him for any such relief as is mentioned in subsection (2) of this section.

(2) Unless in any action brought by virtue of this section the defendant proves that the acts in respect of which proceedings were threatened constitute or, if done, would constitute an infringement of a patent or of rights arising from the publication of a complete specification in respect of a claim of the specification not shown by the plaintiff to be invalid, the plaintiff shall be entitled to the following relief, that is to say:

- (a) A declaration to the effect that the threats are unjustifiable; and
- (b) An injunction against the continuance of the threats; and
- (c) Such damages, if any, as he has sustained thereby.

(3) For the avoidance of doubt it is hereby declared that a mere notification of the existence of a patent does not constitute a threat of proceedings within the meaning of this section.

(4) It is hereby declared that a notice given under section 85 of this Act does not constitute a threat of proceedings within the meaning of this section.

[170] Mr Marriott submits that the harm that s 74 seeks to address is the damage caused to a party which changes its position in order to avoid the cost of a threatened patent infringement proceeding, when in fact there was no basis for the threat; such threats are no less baseless just because a proceeding was later issued, if the proceeding is ultimately withdrawn. His reference to withdrawal reflects the plaintiffs' change of stance during the interlocutory stages of the proceeding. When this case commenced, the plaintiffs alleged that the defendants' UFO cooker (without an extension), infringed the patent. From March 2012 onwards, their case was that infringement occurred only when the extension was added to the UFO cooker. Mr Marriott argues that, in effect, the plaintiffs abandoned the allegations which underpinned the threats relied upon for s 74 purposes, and the withdrawal of the plaintiffs' allegations in their original form demonstrates that they were groundless.

[171] I turn to the authorities. In *Skinner & Co v Perry*.³⁰ Bowen LJ said:³¹

Now, every person of commonsense knows what is involved in patent actions, and what the expense of them is, and everybody knows that to be threatened with a patent action is about a disagreeable a thing that can happen to any business... The Legislature
5 desires that threats of patent actions shall not hang over a man's head; that the sword of Damocles, in such a case, should either not be suspended, or should fall at once.

[172] Similarly, in *Townsend Controls Pty Ltd v Gilead*,³² it was said that:

Section 121 [the equivalent of our s 74] provides the statutory machinery to enable the party threatened to bring down the sword. The provisions of s 121 give no rights to a patentee to make a threat. The purpose of the section, on the contrary, is to provide a
10 statutory remedy for a person against whom a threat is made by a patentee who embarks on "self-help" measures instead of enforcing his claim to monopoly by instituting proceedings for infringement.

[173] These cases demonstrate that the legislative purpose behind s 74 is to enable an alleged infringer (or any other party aggrieved) to bring the question of the alleged infringement to a head by issuing proceedings under s 74, and thus avoid a situation in which a threat is hanging over its head for a significant period.

[174] That was the conclusion to which Priestley J came in the only relevant New Zealand decision on s 74, *Lucas v Peterson Portable Sawing Systems Ltd (in liq)*.³³ There His Honour said:

[52] The mischief which I consider the damages remedy which s 74 (with its reverse onus) addresses is that of trade competitors trying to deter or frighten a competitor with proceedings which are groundless. I consider that if the threat is made good and the proceeding actually issues, then as Laddie J commented (*supra* [44]), the predecessor threats are of historical interest only.

[53] It would be straining the interpretation and purpose of s 74 to hold that the provision provides an avenue whereby an ultimately successful litigant can achieve
25 compensation for the consequential losses of the litigation.

[54] The defendants were vindicated after a considerable delay and after four of the nine judges who had considered the issue had found against them. It would be a nonsense to suggest that, had the matter stopped at the Court of Appeal, the defendants could have obtained some form of counter-balancing redress under s 74.

[55] Additionally I notice the mismatch between s 74(1) and para 23 of the defendants' counterclaim (*supra* [37]). The statute refers to the threat of proceedings. The counterclaim seeks relief for "threatening and bringing proceedings".

[56] For these reasons I am satisfied that the counterclaim of the second defendant which remains afoot is untenable. There is no basis for the claim. Section 74 is not
35 designed to provide a statutory remedy in this situation. Accordingly it is struck out. [Emphasis added.]

[175] The reference to the comment of Laddie J at [52] of Priestley J's judgment, is to *Carflow Products (UK) Ltd v Linwood Securities (Birmingham) Ltd*.³⁴ That was a dispute over the registered design of a steering
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30. *Skinner & Co v Perry* [1893] RPC 1 (CA) (*Skinner*).

31. *Skinner* at 7–8.

32. *Townsend Controls Pty Ltd v Gilead* (1989) 14 IPR 443 at 448 (*Townsend Controls*).

33. *Lucas v Peterson Portable Sawing Systems Ltd (in liq)* HC Auckland CIV-2001-404-3668, 2 December 2009.

34. *Carflow Products (UK) Ltd v Linwood Securities (Birmingham) Ltd* [1998] FSR 691 (*Carflow Products*).

wheel lock, but a similar legislative provision was in issue. Laddie J concluded that once proceedings had been served, the prior threatening correspondence was of little more than historic interest.³⁵

[176] Mr Marriott invites the court to confine Priestley J's judgment to its own facts. He argues that a party making a threat of patent infringement ought not to be able to avoid liability for the threats made simply by filing a proceeding, no matter how frivolous or vexatious the basis for those proceedings might be. If the patent is ultimately found to be invalid, or the plaintiffs fail in their infringement claim, then the answer must be that the threats were groundless, he argues.

[177] I am unable to accept that submission. With respect, I consider Priestley J to have been right. His reasoning is consistent with what was said in *Skinner* and *Townsend Controls*. In my view, the intention of the Legislature is to enable a threatened party to take the initiative by issuing proceedings under s 74 in a situation where there is an apprehension that a patentee is using threats to gain a commercial advantage without any intention, or at least without any immediate intention, of issuing proceedings.

[178] In this case proceedings have been issued. I accept Mr Elliott's submission that the right to take proceedings under s 74 has lapsed. It makes no difference in my view that the plaintiff may have changed tack in mid-stream with respect to the ambit of the alleged infringement. Once the proceeding has been commenced, the in terrorem element dissipates.

[179] However, in case I am wrong in my view of s 74, I turn to consider briefly the detail of G & W's allegations of groundless threats.

[180] The alleged threats are said to fall into four categories:

- (a) A threat made by the plaintiffs' patent attorneys in a letter written by them to the defendants on 16 June 2009;
- (b) Certain threats made by Multi-KC to customers of G & W;
- (c) A threat made by Mrs Andrews on behalf of Mr Andrews, to a customer of G & W;
- (d) A public notice placed in the *New Zealand Herald* in February 2011 by Mr Andrews.

[181] In *JMVB Enterprises Pty Ltd v Camoflag Pty Ltd*,³⁶ Crennan J stated:

[209] A threat arises where the language, by direct words or implication, conveys to a reasonable person that the author of the letter intends to bring infringement proceedings against the person said to be threatened: *U & I Global Trading (Australia) Pty Ltd v Tasman-Warajay Pty Ltd* (1995) 60 FCR 26 at 31; 32 IPR 494 ... A threat may arise without a direct reference to infringement proceedings: *Lido Manufacturing Co Pty Ltd v Meyers & Leslie Pty Ltd* (1964) 5 FLR 443 [(NSWSC)] at 450–451. However, a communication merely notifying a person of the existence of a patent or a patent application, together with a statement that any suggestion that the recipient is entitled to replicate the invention is not maintainable, or a communication seeking confirmation that no improper or wrongful use or infringement of the patent has come to the recipient's attention is not a threat: see s 131: *Australian Steel Co (Operations) Pty Ltd v Steel Foundations Ltd* (2003) 58 IPR 69; [[2003] FCA 374] at [17].

[182] The *New Zealand Herald* notice can be excluded from consideration immediately. It appeared long after the proceeding had commenced, and for present purposes it simply recited the fact that the plaintiffs had commenced

35. *Carflow Products* at 696.

36. *JMVB Enterprises Pty Ltd v Camoflag Pty Ltd* (2005) 67 IPR 68; [2005] FCA 1474 at [209].

infringement proceedings in respect of the UFO cooker. Section 74(1) creates a cause of action where any person "... threatens any other person with proceedings for infringement of a patent". The public notice in the *New Zealand Herald* contains no such threat. It simply refers to the existence of extant proceedings.

[183] Likewise, the threats made to customers of G & W were, on the sketchy evidence available, made after this proceeding had commenced. Most of the evidence was elicited in the course of Mr Marriott's cross-examination of Mr Andrews. Mr Andrews accepted that he had spoken to one or two of the plaintiffs' customers, but the thrust of his evidence was that at the time, litigation was already in existence.

[184] The only other evidence about contact with customers regarding the litigation was an email sent by Mrs Andrews to a member of staff at the appliance store, the Good Guys. She told someone by the name of Mike that she had noticed on the UFO cooker's website that the Good Guys were selling their product. She then said:

I just want you to know that I have served them with papers and are (sic) taking them to court for infringing on my patent.

[185] The reference to having served "them" with papers is plainly a reference to the issue of proceedings. So again, that was not a threat of the issue of proceedings; it was notice that proceedings had already been commenced.

[186] Finally, G & W relies upon a letter sent by A J Pietras & Co to Messrs Dil and Mitchell on 16 June 2009. This letter reads as follows:

Re Infringement of Patent Rights — UFO cooker

1. We act for Doug Andrews Heating and Ventilation Ltd of Whangarei.
2. As you are aware from our telephone conversation of 15 June 2009, our client markets a portable cooker under the brand name *Multi Kai Cooker*. This has been the subject of television and other advertising over a long period of time. The *Multi-Kai Cooker* is protected by New Zealand patent No 332466, a copy of which attached. Our client also has corresponding Australian patent No 753795.
3. We note that you have been marketing a portable cooker under the brand name UFO. We have inspected a physical sample of your UFO product and note that it is an infringement of our client's patent. Among other things the New Zealand patent claims protection for—

Claim

A set of parts for providing a cooking apparatus comprising at least

- A first part comprising a housing having a lower portion adapted to receive a heating source and an upper portion including plate means adapted to be heated by said heating source, and
- A second part comprising a housing capable of containing food to be cooked.

The two parts having interengageable connection means such that when the parts are assembled together they engage to unite the parts with the lower portion of the second part engaging the upper portion of the first part to define a cooking chamber above the plate means and to provide cooking apparatus.

4. Clearly the UFO cooker has a lower first part with a heating source and a plate. It also has an upper second part capable of containing food to be cooked. In the UFO the lower first part and the upper second part are interengaged with welding to hold them together. The UFO thus infringes the patent.

5. In our telephone conversation you indicated that you already know of our client's patent rights. You are nonetheless hereby placed on formal notice of these. You should be aware that when a patent is infringed the patent owner is entitled to compensation for every infringing product. A patent owner is also entitled to have the offending product removed from the marketplace. We accordingly insist that you—
 - a) immediately cease all manufacture, importation, promotion and sale of the UFO cooker and any other product that infringes our client's patent rights;
 - b) provide written confirmation within 5 days that you have ceased all activity as set out above;
 - c) advise us within 5 days as to how many units of the UFO and/or other infringing product you have manufactured, imported, promoted or sold in New Zealand and/or Australia either directly or via an agent.
6. Our client places great value on its intellectual property and you should not underestimate its determination in this matter.

[187] While there is no direct reference to the possible issue of proceedings, I consider the following statement at [5] of the letter to constitute a threat:

You should be aware that when a patent is infringed the patent owner is entitled to compensation for every infringing product. A patent owner is also entitled to have the offending product removed from the marketplace. We accordingly insist that you ...

[188] The plaintiffs insisted that the defendants cease certain stipulated activities with respect to the UFO cooker. The force of that insistence is increased by the plaintiffs' outline of the potential consequences that would ensue, should the defendants not comply with the plaintiffs' insistence. While there is no explicit reference to the possible issue of proceedings, a reasonable person would understand that proceedings would follow if the plaintiffs' requirements were not met. The threat was implied.

[189] In *Earls Utilities Ltd v Harrison*,³⁷ it was held that a solicitor who indicated an intention to advise his or her client to commence infringement proceedings did not make a threat for the purposes of the equivalent of s 74. However, in *Zeno Corp v BSM–Bionic Solutions Management GmbH*,³⁸ the following statement was held to constitute a threat:³⁹

Up to this point we cannot see any difference to the technical solution for which our client was granted protection, all the more so since the temperature range is also within the limits of the range that is protected by the patent, and the patent discloses a lower limit in respect of the period of time ... *For this reason, we should like to request you to let us know why you are of the opinion that you need not take into consideration the patent of our client when marketing the product of Zeno.* [Emphasis added.]

[190] *Earls Utilities* is clearly distinguishable. In that case, the solicitor did not have the power to issue proceedings. There was a degree of separation between the letter-writer, and the person with the actual authority to issue proceedings. The fact that a solicitor would advise his or her client to issue proceedings does not guarantee that the client would be inclined to do so. This case falls closer to

37. *Earls Utilities Ltd v Harrison* (1934) 52 RPC 77 at 80 (*Earls Utilities*).

38. *Zeno Corp v BSM–Bionic Solutions Management GmbH* [2009] EWHC 1829 (Pat) (*Zeno Corp*).

39. At [93].

the facts of *Zeno Corp*, although the threat in *Zeno Corp* was more oblique than here. I consider that the letter of 16 June 2009 contained a “threat” for the purposes of s 74.

5 [191] However, given that the plaintiffs actually issued proceedings, I conclude that G & W has not established its claim under s 74, and accordingly, that aspect of the counterclaim must also be dismissed.

Costs

10 [192] Counsel addressed the question of costs briefly. I have been asked to make an award of costs in this judgment without hearing further from counsel on the topic. The starting point is that the plaintiffs have failed in their infringement claim, and the defendants have failed in every aspect of their counterclaim. Costs must accordingly follow these respective events. The defendants are entitled to costs against the plaintiffs on the claim, and the counterclaim defendants are
15 entitled to costs against the counterclaim plaintiff on the counterclaim.

[193] I consider that roughly equal time was spent during the trial on the claim and on the counterclaims; counsel should proceed on that basis.

20 [194] Each side seeks additional costs. Mr Elliott claims that the defendants have engaged in a lengthy process of obfuscation and delay, so putting off the trial for over 4 years, this proceeding having been filed on 29 July 2009. He says that the prior art relied upon by the defendants has “changed/morphed over the years”. He illustrates that submission by reference to changes in the pleadings which contain numerous variations in the prior art relied upon; some earlier
25 instances of prior art (indeed the majority of them) dropped out later on, and new examples of prior art were pleaded at a later stage. He says that these changes over time have caused significant anxiety and disruption for Doug Andrews, which is a small family owned company, and also for its directors. He says that the cost has been significant and the litigation has been difficult for the plaintiffs to sustain.

30 [195] Mr Elliott seeks costs above scale by reference to the three categories set out in *Bradbury v Westpac Banking Corp*;⁴⁰ there, Baragwanath J outlined three suggested broad approaches to the assessment of costs:

- 35 (a) The standard scale should apply by default where cause is not shown to depart from it;
- (b) Increased costs may be ordered where there is failure by the paying party to act reasonably;
- (c) Indemnity costs may be ordered where that party has behaved either badly or very unreasonably.

40 [196] Against that background, Mr Elliott submits as follows:

141 On the basis of the above we respectfully submit that the defendants have behaved badly and very unreasonably but certainly unreasonably. Indemnity costs are sought against the defendants, jointly and severally, under HC rule
45 14.6(4)(a) on the basis that they have together acted vexatious, (sic) improperly or unnecessarily in commencing and continuing the counterclaim and/or under (f) other reasons exist which justify such an order, namely that the defendants relied on a succession of highly questionable prior art cookers knowing that that evidence was (at least) misleading or otherwise failing to make adequate enquiries as to its truth. This conduct we submit is not just

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40. *Bradbury v Westpac Banking Corp* [2009] 3 NZLR 400; [2009] NZCA 234 at [27].

reprehensible but put the plaintiffs to huge cost in terms of challenging the evidence, and continuing to pursue the matter to its conclusion.

[197] In the event that the court is not minded to grant indemnity costs, the plaintiffs seek increased costs under r 14(6) calculated in accordance with band 2B, but uplifted by 50%.

[198] I am not persuaded that costs should be awarded on anything other than a scale basis. I accept of course that various iterations in the list of prior art examples relied upon by the defendants must have caused difficulties for the plaintiffs, but I am not convinced that it follows that the defendants have acted unreasonably. In a case like this where the relevant industry appears to operate chiefly at a grass roots level, it is not surprising that the defendants happened upon instances of prior art over time, no doubt referred to them by word of mouth or on the grapevine. I would not feel justified in inferring unreasonable behaviour simply because the defendants relied upon particular instances of prior art for a time, and then abandoned them prior to trial. Inspection and testing, along with the need to obtain details of the history of the various cookers, would have taken time and investigation.

[199] During the trial there were some insinuations that Messrs Dil and Mitchell had, in effect, conspired with some of the witnesses, and indeed, with some persons who were to have been called but did not in the end give evidence. It was suggested that the court could properly conclude that there was in effect a conspiracy to mislead the court about the provenance of one or more of the cookers.

[200] A conclusion of that sort could only be reached after hearing compelling evidence which was simply not available in this case. To increase costs on the basis of alleged dubious interlocutory behaviour by the defendants would in the circumstances of this case be to act on mere speculation. The counterclaim defendants are entitled to costs on a band 2B basis against G & W in respect of the counterclaim.

[201] Likewise, the defendants say that they should have increased costs because the plaintiffs initially alleged that the one piece UFO cookers infringed the patent in circumstances where a number of one piece cookers formed part of the acknowledged prior art.

[202] Mr Marriott submits that the subsequent amendment of the pleadings (to confine the claim to two piece cookers more closely related to claim 1), amounted in effect to the abandonment of the original proceedings and the filing of a new proceeding.

[203] The defendants therefore seek an appropriate uplift in costs in respect of all steps prior to March 2012, the time at which the defendants were notified of the amended (and more confined) stance being adopted by the plaintiffs.

[204] Again, I am not satisfied that it would be proper in those circumstances to grant the defendants' increased costs. This was not an amendment that completely changed the course of the proceeding, and indeed, G & W did in any event call as witnesses a number of owners of single tier cookers in order to address aspects of its counterclaim.

[205] The defendants are entitled to costs on a band 2B basis against the plaintiffs in respect of the plaintiffs' claim.

[206] I certify for second counsel in respect of the costs of both the claim and the counterclaim. I direct that the hearing fees be apportioned equally between the plaintiffs and G & W. In each case, the successful party is entitled to recover reasonable disbursements, to be fixed if necessary by the registrar.

5 **Leave**

[207] I reserve leave generally to the parties to make such further application by memorandum as may be appropriate, including in particular any issue arising out of my decision as to costs.

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ANDREW BROWN
BARRISTER

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