A BILL

for

AN ACT TO MAKE PROVISION FOR THE PROTECTION OF LAYOUT-DESIGNS (TOPOGRAPHIES) OF INTEGRATED CIRCUITS

BE IT ENACTED by the King and Legislative Assembly of Tonga in the Legislature of the Kingdom as follows:


(2) This Act shall come into operation on a date to be proclaimed by His Majesty in Council.

Act binds the Crown 2. This Act binds the Crown.

Interpretation 3. In this Act, unless the context otherwise requires,

"integrated circuit" means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function;

"layout-design" is synonymous with "topography" and means the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture;

"Minister" means the Minister of Labour, Commerce & Industries;

"Register of Layout-Designs" means the register maintained by the Registrar under section 10(1);

"Registrar" means the Registrar of Industrial Property holding office in terms of section 37 of the Industrial Property Act 1994.

"right holder" means the natural person who, or the legal entity which, is to be regarded as the beneficiary of the protection referred to in section 7.
Protection 4. (1) Protection by way of registration under this Act may be obtained for layout-designs of integrated circuits if and to the extent that they are original within the meaning of section 5.

(2) Registration may only be applied for if the layout-design has not yet been commercially exploited, or has been commercially exploited for not more than two years, anywhere in the world.

Originality 5. (1) A layout-design shall be considered to be original if it is the result of its creator's own intellectual effort and is not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of its reaction.

(2) A layout-design consisting of a combination of elements and interconnections that are commonplace shall be protected only if the combination, taken as a whole, is original within the meaning of subsection (1).

Right to protection 6. (1) The right to layout-design protection:

(a) shall belong to the creator of the layout-design;
(b) may be assigned or transferred by succession; or
(c) where several persons have jointly created a layout-design, the right shall belong to them jointly.

(2) Where the layout-design has been created in execution of a commission or an employment contract, the right to layout-design protection shall belong, in the absence of contractual provisions to the contrary, to the person who commissioned the work or to the employer.

(3) Protection under this Act shall not be available for layout-designs which have been commercially exploited, anywhere in the world, for more than two year prior to the commencement of this Act.

Effect of protection 7. (1) Protection under this Act shall not depend upon whether or not the integrated circuit which incorporates the protected layout-design is itself incorporated in an article. Subject to subsection (2) and to section 17, the protection shall have the effect that the following acts shall be unlawful if performed without the authorization of the right holder -

(a) reproducing, whether by incorporation in an integrated circuit or otherwise, the protected layout-design in its entirety or any part thereof; except the act of reproducing any part that does not comply with the requirement of originality referred to in section 5;
(b) importing, selling or otherwise distributing for commercial purposes the protected layout-design, an integrated circuit in which the protected layout-design is incorporated or an article incorporating such an integrated circuit in so far as it continues to contain an unlawfully reproduced layout-design.

(2) The effect of protection of a layout-design under this Act shall not extend to -

(a) reproduction of the protected layout-design for private purposes or for the sole purpose of evaluation, analysis, research or teaching;

(b) the incorporation in an integrated circuit of a layout-design created on the basis of such analysis or evaluation and which it itself original within the meaning of section 5 or the performance of any of the acts referred to in subsection (1) in respect of that layout-design;

(c) the performance of any of the acts referred to in subsection (1)(b) where the act is performed in respect of a protected layout-design, or in respect of an integrated circuit in which such a layout-design is incorporated, that has been put on the market by, or with the consent of, the right holder;

(d) the performance of any of the acts referred to in subsection (1)(b) in respect of an integrated circuit incorporating an unlawfully reproduced layout-design or any article incorporating such an integrated circuit where the person performing or ordering such an act did not know and had no reasonable ground to know, when acquiring the integrated circuit or the article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout-design:

Provided however, that after receiving notice that the layout-design was unlawfully reproduced, that person may perform any of the said acts only with respect to the stock on hand or stock ordered before receiving such notice and he shall be liable to pay to the right holder a sum equivalent to a reasonable royalty such as would be payable under a freely negotiated licence in respect of such a layout-design; or
(e) the performance of any of the acts referred to in subsection (1)(b) where the act is performed in respect of an identical layout-design which is original and has been created independently by a third party.

**Commencement and duration of protection**

8. (1) Protection of a layout-design under this Act shall commence -

(a) on the date of the first commercial exploitation, anywhere in the world, of the layout-design by, or with the consent of, the right holder, provided an application for protection is filed by the right holder with the Registrar within the time limit referred to in section 4(2); or

(b) on the filing date accorded to the application for the registration of the layout-design filed by the right holder, if the layout-design has not been previously exploited commercially anywhere in the world.

(2) Protection of a layout-design under this Act shall terminate at the end of 10 years after the date of commencement of protection.

**Application requirements**

9. (1) Applications for the registration of layout-designs shall be in writing and shall be filed with the Registrar. A separate application shall be filed for each layout-design.

(2) The application shall -

(a) contain a request for registration of the layout-design in the Register of Layout-Designs and a brief description thereof;

(b) indicate the name address, nationality and, if different from the address, the habitual residence of the applicant and, where applicable, the applicant's representative in terms of section 14;

(c) be accompanied by a copy or drawing of the layout-design along with information defining the electronic function which the integrated circuit is intended to perform;

Provided however, the application may omit such parts of the copy or drawing that relate to the manner of manufacture of the integrated circuit, if the parts submitted are sufficient to allow the identification of the layout-design;
(d) specify the date of first commercial exploitation of the layout-design anywhere in the world or indicate that such exploitation has not commenced; and

(e) provide particulars establishing the right to protection under section 6.

(3) If an application does not comply with the requirements of subsection (2), the Registrar shall notify the applicant of the defects and invite him to correct them within two months. If the defects are corrected within the time limit, the Registrar shall record as the filing date the date of receipt of the application;

Provided that, at the time of receipt, the application was accompanied by a copy or drawing of the layout design and contained an express or implicit indication that the registration of a layout-design was being requested and sufficient information to establish the identity of the applicant.

(4) The Registrar shall confirm the filing date and communicate it to the applicant. If the defects are not corrected within the time prescribed, the application shall be deemed not to have been filed.

(5) An application for registration of a layout-design shall be subject to the payment of the prescribed fee. If the fee is not paid with the application, the Registrar shall notify the applicant that the application will be deemed not to have been filed unless payment is made within two months from the date of the notification. If the application fee is not paid within that time limit, the application shall be deemed not to have been filed.

Registration 10.

(1) The Registrar shall maintain a register (the "Register of Layout-Designs") in which he shall, for each protected layout-design, enter all the information required to be recorded as provided for in this Act.

(2) Where the application complies with the requirements of section 9, the Registrar shall register the layout-design in the Register of Layout-Designs without examination of the originality of the layout-design, the applicant's entitlement to protection or the correctness of the facts stated in the application.

(3) The Register of Layout-Designs shall contain the number, title, filing date and, where indicated in the application under section 9(2)(d), the date of first commercial exploitation, anywhere in the world, of the layout-
design as well as the name and address of the right holder and other prescribed particulars.

(4) Any person may consult the Register of Layout-Designs and obtain extracts therefrom, subject to the payment of the prescribed fee.

(5) The fact of the registration of a layout-design shall be published in the Gazette.

Transfer of application from the or registration person may, 11. (1) where the essential content of an application has been taken
layout-design of another person without his consent, that other
in writing, request the Registrar to transfer the application to him. Where
the application has already resulted in a registration, that person may, within
three years from the publication of the registration, in writing, request the
Registrar to transfer the registration to him and to rectify the entry in the
Register accordingly.

(2) the Registrar shall send forthwith a copy of such a request to the
right holder, and, within the prescribed period and in the prescribed manner,
the right holder may send to the Registrar a counter-statement of the
grounds on which he relies.

(3) If the right holder sends a counter-statement, the Registrar shall
furnish a copy thereof to the person requesting the transfer and, after
hearing the parties, if either or both wish to be heard, and considering the
merits of the case, shall decide whether the application or registration
should be transferred and, where applicable, whether the Register should be
rectified.

Changes in the shall be in ownership 12. (1) Any change in the ownership of a protected layout-design
writing, Once the layout-design has been registered, the change in
ownership shall, at the request of any interested party, made to the
Registrar, be recorded and published by the Registrar. Such change shall
have no effect against third parties until such recording is effected.

(2) Any licence contract concerning a layout-design shall, upon
registration of the said layout-design, be submitted to the Registrar, who
shall keep its contents confidential but shall publish a reference thereto.
The licence contract shall have no effect against third parties until such
submission has been made.

Cancellation 13. (1) Any interested person may make a request to the Registrar that the
registration of a layout-design be cancelled on the grounds that -

(a) the layout-design is not capable of protection under sections 3, 4 and 5;

(b) the right holder is not entitled to protection under section 6; or

(c) where the layout-design has been commercially exploited, anywhere in the world, before the filing of the application for registration of the layout-design, the said application was not filed within the time limit referred to in sections 4(2) and 8(1).

(2) Where the grounds for cancellation are established with respect only to a part of the layout-design, only the corresponding part of the registration shall be cancelled.

(3) A request for cancellation of the registration of the layout-design under subsections (1) and (2) shall be filed with the Court in writing. The request shall state the grounds on which it is based.

(4) Any cancelled layout-design registration, or part thereof, shall be regarded as null and void from the date of the commencement of protection.

(5) The final decision of the Court shall be notified to the Registrar who shall record it and publish in the gazette a reference thereto as soon as possible.

**Representation 14.** Where an applicant's ordinary residence or principal place of business is outside Tonga, he shall be represented by a law practitioner practising in Tonga.

**Infringement 15.**

(1) Infringement shall consist of the performance of any act which is unlawful under section 7.

(2) On the request of the right holder, or of a licensee if the latter has requested the right holder to institute court proceedings for a specific relief and the right holder has refused or failed to do so within a reasonable period, the court may grant an injunction to prevent infringement, award damages and grant any other remedy provided for in the general law.

(3) An action under subsection (2) may be initiated only after an application for registration of the layout-design has been filed with the Registrar.
Criminal liability  16. (1) Any authorized person who knowingly performs any act which is unlawful under section 7 commits an offence and is liable upon conviction to a fine not exceeding $5000 or to imprisonment for a term not exceeding 5 years or to both.

(2) The Court may also order the seizure, forfeiture and destruction of the layout-designs, integrated circuits or articles concerned and of any materials or implements the predominant use of which has been in the commission of the offence.

Exploitation by a Government agency or third person  17. (1) Where -

(a) the public interest, in particular, national security, nutrition, health or the development of other vital sectors of the national economy requires the exploitation of protected layout-design for public non-commercial use; or

(b) a judicial or administrative body has determined that the manner of exploitation of a protected layout-design, by the right holder or his licensee, is anti-competitive, and the Minister is satisfied that the exploitation of the layout-design in accordance with this section would remedy such practice.

the Minister may decide that, even without the authorization of the right holder, a Government agency or a third person designated by the Minister may exploit the layout-design.

(2) The exploitation of the layout-design shall be limited, in scope and duration, to the purpose for which it was authorized and shall be predominantly for the supply of the domestic market. It shall be non-exclusive and shall be subject to the payment to the right holder of an adequate remuneration therefor, taking into account the economic value of the Minister's authorization, as determined in the Minister's decision and, where applicable, the need to correct anti-competitive practices.

(3) Upon request of the right holder or of the beneficiary of the authorization, the Minister may, after hearing the parties, if either or both wish to be heard, vary the terms of the decision authorizing the exploitation of the layout-design to the extent that changed circumstances justify such variation.
(4) (a) Upon the request of the right holder, the Minister shall terminate the non-voluntary licence if he is satisfied that the circumstances which led to his decision have ceased to exist and are unlikely to recur or that the beneficiary of the authorization has failed to comply with the terms of the authorization.

(b) Notwithstanding paragraph (a), the Minister shall not terminate an authorization if he is satisfied that the adequate protection of the legitimate interests of the beneficiary of the authorization justifies the maintenance of the authorization.

(5) Where a third person has been designated by the Minister, the authorization may only be transferred with the enterprise or business of the beneficiary of the authorization or with the part of the enterprise or business within which the layout-design is being exploited.

(6) A request for the Minister's authorization shall be accompanied by evidence that the right holder has received, from the person seeking the authorization, a request for a contractual licence but that person has been unable to obtain such a licence on reasonable commercial terms and conditions and within a reasonable time.

(7) Decisions of the Minister under this section may be the subject of an appeal to the Supreme Court.

Exercise of discretionary powers 18. (1) The Registrar shall give any party to any proceeding before him an opportunity of being heard before exercising adversely to that party any discretionary power vested in him by this Act.

(2) If the Registrar is satisfied that the circumstances justify it, he may, upon a written request extend the time for doing any act or taking any proceeding under this Act, upon notice to the parties concerned and upon such terms as he may direct. The extension may be granted though the time for doing the act or taking the proceeding has expired. The time for filing an application referred to in section 4(2) may not be extended.

Jurisdiction of Court 19. (1) The Supreme Court shall have jurisdiction in cases of dispute relating to the application of this Act and in matters which under this Act are to be referred to the court.

(2) Any decision made by the Registrar under this Act, in particular any decision relating to the registration of a layout-design, may be the subject of an appeal to the Supreme Court by any interested party and such appeal shall be filed within two months of the date of the decision.
Application of international treaties

20. (1) The provisions of any international treaties in respect of industrial property to which Tonga is a party shall apply to matters dealt with by this Act and, in the case of conflict with any provision of this Act, shall prevail over the latter.

(2) (a) The provisions of any international treaties to which subsection (1) applies shall be available for inspection and copying at the Registrar's office, or at any other office designated by him, by any person likely to be affected by it.

(b) Subject to subsection 2(a), no person shall be prosecuted or convicted for contravening the provisions of international treaties in subsection (1) if such provisions are not available for inspection or copying as required by subsection (2)(a), and it is a defence to such a prosecution to show that the contravened provisions were not so available as required.

(c) The defence available under subsection (2)(b) is not available to a person who had insufficient knowledge of the requirements of the contravened provisions for which he is being prosecuted, or who possessed or who had reasonable access, in any event, to the requirements of the contravened provisions independently of the procedure under subsection 2(a).

(d) The Registrar may charge a reasonable fee for any copying services he provides, commensurate to that charged generally in the public service, when a person requests copies of provisions of international treaties under subsection 2(a).

Regulations and administrative instructions

21. (1) The Minister may with the consent of Cabinet make regulations for the better carrying into effect of the purposes of this Act.

(2) The regulations may, inter alia, provide for the payment of fees in connection with applications for the registration of layout-designs of integrated circuits and matters related thereto.

(3) The Registrar may issue administrative instructions relating to the procedures under this Act and the regulations as well as to other functions of his office.

Passed in the Legislative Assembly this day of 2001