

REPUBLIC OF VANUATU

BILL FOR THE

CIRCUIT LAYOUTS ACT

NO. OF 1999

An Act to provide for the protection of layouts for integrated circuits

**BE IT ENACTED** by the President and parliament as follows:

**PART 1-PRELIMINARY**

INTERPRETATION

1. In this Act, unless the contrary intention appears:

"circuit layout" means a representation, fixed in any material form, of the three-dimensional location of the active and passive elements and interconnections making up an integrated circuit;

"commercially exploited" has the meaning given by section 4;

"Court" means the Supreme Court;

"eligible foreign country" means a foreign country declared by the regulations to be an eligible foreign country for the purposes of this Act;

"eligible layout" means an original circuit layout:

- (a) whose maker was an eligible person when the layout was made; or
- (b) that was first commercially exploited in Vanuatu or in an eligible foreign country;

"EL rights" means the exclusive rights specified in section 11 for an eligible layout;

"exclusive licence" has the meaning given by section 5;

"exclusive right" has the meaning given in section 5;

"future EL rights" means EL rights that will come into existence at a future time or on the happening of a future event;

"integrated circuit" means a circuit:

- (a) whose purpose is to perform an electronic function; and
- (b) in which the active and passive elements, and any of the interconnections, are integrally formed in or on a piece of material; and
- (c) that is in a final form or an intermediate form.

"material form", for a circuit layout, includes any form of storage (whether visible or not) from which the layout, or a substantial part of it, can be reproduced;

"prospective owner" means the person in whom future EL rights will vest (whether as owner or otherwise) when they come into existence;

"protection period", for an eligible layout, means the period beginning on the day the layout was made and ending:

- (a) if the layout is first commercially exploited within 10 years after the end of the year the layout was made-at the end of the tenth year after the year the layout was first commercially exploited; and
- (b) in any other case-at the end of the period of 10 years after the year the layout was made.

### **MEANING OF ELIGIBLE PERSON**

- 2 (1) An eligible person is:
- (a) a Vanuatu citizen or a person resident in Vanuatu; or
  - (b) a body corporate incorporated by or under a law in force in Vanuatu; or
  - (c) a citizen, national or resident of an eligible foreign country; or
  - (d) a body corporate incorporated by or under a law of an eligible foreign country;
- (2) A person who is ordinarily resident in Vanuatu or a foreign country but is temporarily absent from that country at a particular time is to be treated as if he or she had been resident in Vanuatu or that country, as the case may be, at that time.

### **CIRCUIT LAYOUTS MADE BEFORE COMMENCEMENT OF ACT**

3. This Act applies to a circuit layout made before or after the commencement of this Act. However, an action does not lie under Part 3 for anything done before that commencement in relation to the layout, a copy of the layout, or an integrated circuit made in accordance with the layout.

### **WHAT IS COMMERCIAL EXPLOITATION**

4. (1) A circuit layout is commercially exploited if the layout, a copy of the layout, or an integrated circuit made in accordance with the layout (whether or not the integrated circuit is incorporated in another thing) is:
- (a) sold, let for hire or otherwise distributed by way of trade; or
  - (b) offered or exposed for sale or hire, or other distribution by way of trade; or
  - (c) imported-for the purpose of sale, hire, or other distribution by way of trade.
- (2) A copy of a circuit layout, or an integrated circuit made in accordance with a circuit layout, is commercially exploited if it is:

- (a) sold, let for hire or otherwise distributed by way of trade; or
- (b) offered or exposed for sale or hire or other distribution by way of trade; or
- (c) imported for the purpose of sale, hire, or other distribution by way of trade.

#### **EXCLUSIVE RIGHT AND EXCLUSIVE LICENCE**

- 5. (1) A person who has the exclusive right to do an act in relation to an eligible layout, or an integrated circuit made in accordance with an eligible layout, also has the exclusive right to authorise another person to do that act in relation to that layout or integrated circuit.
- (2) An exclusive licence is a licence in writing, signed by or on behalf of the owner or prospective owner of EL rights, authorising the licensee, to the exclusion of all other persons, to do an act that, under this Act, the owner would, but for the licence, have the exclusive right to do.

#### **MAKING AN ELIGIBLE LAYOUT**

- 6. (1) A person who uses a computer to make an eligible layout is taken to make the layout.
- (2) An eligible layout is made when it is first fixed in a material form.
- (3) If a layout is jointly made, a reference in this Act (other than subsection 10(2)) to the maker is a reference to all makers.

#### **ORIGINALITY**

- 7. A circuit layout is not original if:
  - (a) its making involved no creative contribution by the maker; or
  - (b) it was commonplace at the time it was made.

#### **LICENCE OF OWNER OF EL RIGHTS**

- 8. For the purposes of this Act, an act is taken to have been done with the agreement of the owner of EL rights if the act is authorised by an agreement binding the owner.

#### **SUBSTANTIAL PART OF ELIGIBLE LAYOUT**

- 9. In this Act:
  - (a) a reference to doing an act (other than making) in relation to an eligible layout includes a reference to doing that act in relation to a substantial part of the layout; and
  - (b) a reference to a copy of an eligible layout includes a reference to a copy of a substantial part of the layout; and
  - (c) a reference to an integrated circuit made in accordance with an eligible layout includes a reference to an integrated circuit made in accordance with a substantial part of the layout.

## **PART 2-EL RIGHTS IN ELIGIBLE LAYOUTS**

### **Division 1-Ownership and nature of EL rights**

#### **OWNER OF EL RIGHTS**

10. (1) Subject to this section, the person who makes an eligible layout is the first owner of the EL rights in it.
- (2) If an eligible layout is jointly made and only some of the makers are eligible persons, it is taken to have been made by only eligible persons.
- (3) If a layout is made by a person under the terms of his or her employment by another person, that other person is the maker of the layout.
- (4) The application of subsection (3) to the EL rights in a particular eligible layout may be excluded or modified by agreement.

#### **NATURE OF EL RIGHTS**

11. (1) The owner of the EL rights in an eligible layout has the following exclusive rights during the protection period of the layout:
- (a) to copy the layout, directly or indirectly, in a material form; and
- (b) to make an integrated circuit in accordance with the layout or a copy of the layout; and
- (c) to exploit the layout commercially in Vanuatu.
- (2) EL rights are personal property.

#### **RIGHTS OF EXCLUSIVE LICENSEE**

12. (1) The exclusive licensee of an EL right:
- (a) has the same rights of action; and
- (b) is entitled to the same remedies;
- as the owner of the EL rights.
- (2) The exclusive licensee's rights:
- (a) cannot be exercised against the owner of the EL rights; and
- (b) do not affect the owner's rights.

### **Division 2-Infringement of EL rights**

#### **INFRINGEMENT**

13. (1) A person infringes an EL right in an eligible layout if the person, during the protection period of the layout and without the agreement of the owner of the right:

- (a) copies, or authorises the copying, of the layout in a material form;
- or
- (b) makes, or authorises the making of, an integrated circuit in accordance with the layout; or
- (c) commercially exploits, or authorises the commercial exploitation of, the layout in Vanuatu, if the person knows or ought reasonably to know that he or she is doing this without the agreement of the owner of the right.

#### **INNOCENT COMMERCIAL EXPLOITATION**

14. (1) A person does not infringe the EL rights in an eligible layout if the person commercially exploits, or authorises the commercial exploitation of, an unauthorised integrated circuit that is made in accordance with the layout if, when the person acquired the circuit, the person did not know, and could not reasonably be expected to have known, that the circuit was unauthorised.
- (2) Once the person becomes aware, or can reasonably be expected to become aware, that the integrated circuit is unauthorised:
- (a) the person may commercially exploit any stock on hand or ordered before that time; and
  - (b) the person is liable to pay a reasonable amount by way of royalty to the owner of the EL rights; and
  - (c) subsection (1) no longer applies to any later commercial exploitation of the circuit.
- (3) In this section:
- "unauthorised", for an integrated circuit made in accordance with an eligible layout, means made without the agreement of the owner of the EL rights in the layout.
- (4) The owner of the rights may apply to the Court for an order about the amount of royalty payable under this section.

#### **COPYING FOR PRIVATE USE**

15. (1) A person does not infringe the EL rights in an eligible layout by making:
- (a) a copy of the layout; or
  - (b) an integrated circuit in accordance with the layout or with a copy of the layout;
- for the person's private use.

- (2) A person does not make a copy of an eligible layout, or an integrated circuit made in accordance with an eligible layout or with a copy of the layout, for the person's private use if the copy or integrated circuit is:
  - (a) commercially exploited; or
  - (b) distributed otherwise than by way of trade to an extent that will prejudice the interests of the owner of the EL rights in the layout.

### **COPYING FOR RESEARCH OR TEACHING PURPOSES**

16. A person does not infringe the EL rights in an eligible layout if the person makes a copy of the layout, or an integrated circuit in accordance with the layout or with a copy of the layout, for research or teaching purposes.

### **EVALUATION OR ANALYSIS**

- 17. (1) A person does not infringe the EL rights in an eligible layout by:
  - (a) making a copy of the layout to evaluate or analyse the layout; or
  - (b) making an original circuit layout based on an evaluation or analysis carried out using that copy; or
  - (c) making an integrated circuit in accordance with that original circuit layout; or
  - (d) copying or commercially exploiting that original circuit layout in Vanuatu.
- (2) A person does not infringe the EL rights in an eligible layout by:
  - (a) making an integrated circuit in accordance with the layout, or a copy of the layout, to evaluate or analyse the layout; or
  - (b) making an original circuit layout based on an evaluation or analysis carried out using that integrated circuit; or
  - (c) making an integrated circuit in accordance with that original circuit layout; or
  - (d) copying or commercially exploiting that original circuit layout in Vanuatu.

### **COMMERCIAL EXPLOITATION OF LAYOUT PREVIOUSLY EXPLOITED UNDER LICENCE**

- 18. (1) If:
  - (a) an eligible layout is commercially exploited, whether in Vanuatu or elsewhere; by, or with the agreement of, the owner of the EL rights in the layout; and
  - (b) a person acquires a copy of the layout, or an integrated circuit made in accordance with the layout, as a result of that commercial exploitation;

the person does not infringe the EL rights in the layout if the person commercially exploits the copy or the integrated circuit in Vanuatu.

- (2) In spite Part 2 of the Copyright Act, Act No of 1999, if the commercial exploitation of an integrated circuit containing a copy or adaptation of a work (being an integrated circuit made in accordance with an eligible layout) does not infringe the EL rights in the layout, that commercial exploitation does not infringe the copyright in that work, unless making that copy or adaptation infringed that copyright.
- (3) Expressions used in subsection (2) that are used in the Copyright Act have the same meanings as in that Act.

### **USE FOR DEFENCE OR SECURITY**

- 19. (1) An act done by the Government of Vanuatu, or a person authorised in writing by the Government, is not an infringement of EL rights in an eligible layout if
  - (a) the act is for the defence or security of Vanuatu; and
  - (b) the Government of Vanuatu or the authorised person has unsuccessfully taken all reasonable steps to obtain the agreement of the owner of the EL rights, on reasonable terms, to do the act.
- (2) The owner may give his or her agreement before or after the act is done.
- (3) The Government of Vanuatu must as soon as practicable:
  - (a) tell the owner of the EL rights in the layout that the act has been done; and
  - (b) tell the owner what the owner wants to know about the doing of the act, unless this would, or might reasonably be expected to, damage the defence or security of Vanuatu.
- (4) If the owner of the EL rights and the Government of Vanuatu cannot agree on the terms for doing the act in relation to the eligible layout, either the owner or the Government may apply to the Court for an order determining the terms.
- (5) If an article is sold and, because of subsection (1), the sale is not an infringement of EL rights, the purchaser, and a person claiming through the purchaser, is entitled to deal with the article as if the Government of Vanuatu were the owner of the EL rights.
- (6) An act done under subsection (1) in relation to an eligible layout must not be taken into account in calculating the protection period of the layout.
- (7) A reference in this section to the owner of an EL right includes a reference to the exclusive licensee.

## **PART 3-REMEDIES FOR INFRINGEMENTS OF EL RIGHTS**

### **Division 1--Actions by owner of EL rights**

#### **ACTIONS FOR INFRINGEMENT**

- 20. (1) The owner of EL rights may bring an action for an infringement of those rights.

- (2) The relief that the Court may grant includes:
  - (a) an injunction (subject to any terms the court thinks appropriate); and
  - (b) either damages or an account of profits.
- (3) If
  - (a) EL rights are infringed; but
  - (b) at the time of the infringement, the defendant was not aware, and had no reasonable grounds for suspecting, that he or she was infringing the EL rights;

the plaintiff is entitled to an account of profits, but not damages, for the infringement (whether any other relief is granted or not).
- (4) If, having regard to:
  - (a) the flagrancy of the infringement; and
  - (b) any benefit that accrued to the defendant because of the infringement; and
  - (c) all other relevant matters;

the court is satisfied that it is appropriate, the court may award additional damages.

### **LIMITATION OF ACTIONS**

- 21. An action for an infringement of EL rights cannot be brought after the end of 6 years after the day when the infringement took place.

### **Division 2-Proceedings where EL rights subject to exclusive licence**

### **APPLICATION OF DIVISION**

- 22. This Division applies to infringement proceedings where an exclusive licence is in force when the infringement happened.

### **JOINDER OF OWNER OR EXCLUSIVE LICENSEE AS A PARTY**

- 23. (1) If.
  - (a) the owner of EL rights, or the exclusive licensee, brings an infringement action; and
  - (b) the action relates, wholly or partly, to an infringement for which both the owner and the licensee have rights of action;



the owner or licensee, as the case may be, is not entitled to proceed with the action (except with the leave of the court) unless the other of them is joined as a plaintiff or added as a defendant.

- (2) This section does not prevent the Court granting an interlocutory injunction on the application of the owner or the exclusive licensee.

#### **ASSESSMENT OF DAMAGES WHERE EXCLUSIVE LICENCE GRANTED**

- 24. If the owner of the EL rights and the exclusive licensee are not both plaintiffs in an action for infringement, the court must take the following matters into account in assessing damages for the infringement:
  - (a) if the exclusive licensee is the plaintiff-any liabilities under the licence; and
  - (b) if either the owner or the exclusive licensee is the plaintiff-any damages or account of profits already awarded to the other of them under section 20 for the infringement, or any right of action the other of them has under that section for the infringement.

#### **APPORTIONMENT OF PROFITS**

- 25. If
  - (a) both the owner of the EL rights and the exclusive licensee have rights of action for an infringement; and
  - (b) the Court directs that an account of profits is to be taken for the infringement;the Court must apportion the profits between them as it considers just, subject to any agreement between them.

#### **SEPARATE ACTIONS FOR THE SAME INFRINGEMENT**

- 26. In an action for infringement brought by the owner of the EL rights or the exclusive licensee, the Court must not:
  - (a) award damages, if a final order for an account of profits has been given in favour of the other of them for the same infringement; or
  - (b) order an account of profits, if a final order has been made in favour of the other of them for damages or an account of profits for the same infringement.

#### **Division 3-Proof of facts in actions**

#### **PRESUMPTIONS AS TO EXISTENCE AND OWNERSHIP OF EL RIGHTS**

- 27. In an action for infringement:
  - (a) EL rights are presumed to subsist in the circuit layout if the defendant does not raise the question whether those rights subsist in the layout; and
  - (b) where EL rights subsist in the layout the plaintiff is presumed to be the owner of the rights if

- (i) he or she claims to be the owner; and
- (ii) the defendant does not raise the question of ownership.

#### **LABELS ON LAYOUTS ETC.**

28. (1) If
- (a) an eligible layout, a copy of an eligible layout, an integrated circuit made in accordance with an eligible layout or an article in which that integrated circuit is incorporated is imported or distributed by way of trade; and
  - (b) at that time the layout, the copy, the integrated circuit or a package containing it, or the article bore a prescribed label or mark;

the fact that it bore the label or mark at that time is prima facie evidence that any person dealing then or later with that layout, copy or integrated circuit has been notified that EL rights subsist in the layout.

- (2) In subsection (1):

"distributed by way of trade" includes sold, let for hire, or offered or exposed for sale or hire or other distribution by way of trade;

"imported" means imported into Vanuatu for the purpose of distribution by way of trade;

"prescribed label or mark" means a label or mark:

- (a) that was clearly affixed to the eligible layout, the copy of the eligible layout, the integrated circuit made in accordance with an eligible layout or the package containing it, or the article in which the integrated circuit is incorporated; and
- (b) that bears a statement to the effect that EL rights subsist in the layout; and
- (c) that states the maker of the layout and the country and year when the layout was first commercially exploited.

### **PART 4-MISCELLANEOUS**

#### **JURISDICTION OF SUPREME COURT**

29. The Supreme Court has jurisdiction to hear and determine matters under this Act.

#### **APPEALS**

30. An appeal lies from a decision of the Court to the Court of Appeal.

#### **ELIGIBLE FOREIGN COUNTRIES**

31. A foreign country must not be declared to be an eligible foreign country unless:
- (a) it is a party to a convention on the protection of circuit layouts and:

- (i) Vanuatu is also a party to the convention; or
  - (ii) Vanuatu, although not a party to the convention, has taken all necessary steps to become a party; or
- (b) the Minister is satisfied that, although the foreign country is not a party to the convention, the law of that country gives or will give adequate protection:
- (i) to circuit layouts made by persons referred to in paragraph 2(1)(a) or (b) (meaning of "eligible person"); and
  - (ii) to circuit layouts first commercially exploited in Vanuatu.

#### **REGULATIONS**

32. The Minister may, by order in writing, make regulations prescribing all matters:
- (a) required or permitted by this Act to be prescribed; or
  - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

#### **COMMENCEMENT**

33. This Act commences on the day on which it is published in the Gazette.
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