

# Locutus

The newsletter of intellectual property law, statutory deceptive conduct and franchising law.

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**Welcome to Locutus**

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**Locutus** is a newsletter of current news, recent cases, and practice decisions. It is authored by Carmen Champion Barrister-at-Law.

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## **Recent Cases -**

### **MISLEADING CONDUCT**

***Australian Competition & Consumer Commission v G.O. Drew Pty Ltd***  
[2007] FCA 1246

Issue: whether appropriate to order declarations and injunctions sought by consent of parties in circumstances where no threatened or intended future contravening conduct. Declarations granted in amended form. Need to draft declarations which satisfy the need to be precise, and to inform as to the basis on which the Court has found that the relevant contraventions have occurred. Need for Court to avoid the practice of granting declarations, which are not true declarations of right pursuant to s 21 of the Federal Court *BMW Australia Ltd v Australian Competition and Consumer Commission* [2004] FCAFC 167 (2004) 207 ALR 452 at [35].

Although no threatened or intended future conduct in contravention of any of the relevant provisions of the Trade Practices Act, an injunction can be granted in the absence of threatened or intended conduct, in consequence of s 80(4)(a) of the Trade Practices Act.

### **COPYRIGHT**

***Nine Network Australia Pty Ltd v IceTV Pty Ltd*** [2007] FCA 1172

Subsistence of Copyright: compilation must be considered as a whole; no separate

copyright in time and title information or single day, constitutes mere information

Infringement: Substantial part measured by reference to the originality of the work allegedly taken and consideration of the interests which copyright protects in a compilation. "Slivers" of time and title information taken from aggregated guides not of sufficient quality or quantity to amount to a reproduction of a substantial part. Ice not being a broadcaster so no taking by Ice of Nine's skill and labour of placing programs so as to maximise viewers. No infringement

Unjustified threats of infringement. Whether proceedings for unjustified threats of copyright infringement can be commenced while infringement proceedings on foot. Held: "threat" ceases once infringement proceedings are commenced; no entitlement to claim damages resulting from commencement and prosecution of proceedings. No utility in injunction or declaration where infringement proceedings dismissed.

***Goodall v Nationwide News Pty Ltd (No.2)***

The Federal Magistrate's Court has awarded damages of \$1250 for copyright infringement, and additional damages of \$7500 for "personal hurt", in relation to the publication of family photographs in a newspaper.

In awarding additional damages, the Court referred to the "blasé" and "uncaring" attitude of the respondent, the distress caused to the applicant as a result of the use of the photographs and the need to deter similar infringements.

***TCS ACES Pty Limited v Mikohn Gaming Australasia Pty Limited [2007] NSWSC 988***

Implied negative obligation to refrain from doing anything to deprive other party of benefit of contract in distributorship agreement.

Mikohn is proposing to assign certain licence agreements to a third party. Under its distributorship agreement with the plaintiff, the plaintiff is entitled to remuneration calculated by reference to licence fees paid to Mikohn under the said licence agreements. The proposed assignment will result in the plaintiff being deprived of remuneration.

Injunction granted on the basis that there is in every contract an implied term requiring each party to do whatever is reasonably necessary to enable the other party to reap the benefit of the contract (the duty to facilitate performance). This is an implied negative obligation. Reference made to *Crawford Fitting Co v Sydney Valve & Fittings Pty Ltd* (1988) 14 NSWLR 438. Where McHugh JA (as he then was) said, with the agreement of Priestley JA, that in a distributorship agreement a common purpose may well be that the relationship of the parties should continue for long enough after the giving of a notice of termination to enable the distributor to recoup any extraordinary expenditure or effort, particularly where that expenditure or effort was incurred with the actual or tacit authority of the principal.

Reasoning was: if Mikohn remained free to alienate the casino licence agreements while ACES remained under a continuing obligation, pursuant to clause 3.1, to procure the execution of new licence arrangements on behalf of Mikohn throughout at least the initial term until 2010, Mikohn, could, each time a licence agreement was negotiated, immediately assign the benefit of the agreement to a third party, so that Mikohn never received any revenue in respect of the licence agreement, and there was nothing to which ACES's 20 percent entitlement could apply. "If an officious bystander had raised that prospect with the parties at the time of the negotiation of the agreement, it is strongly arguable that the parties would have suppressed him testily with the answer, "Of course, Mikohn cannot do that".

## HELPFUL HINTS

### **TRADE MARK OPPOSITIONS**

A significant number of trade mark applications/oppositions are now being handled by lawyers who have little, if any, experience in these matters or Trade Mark Office procedure. Applications need to be made by use of the relevant forms and, more importantly, by reference to the actual grounds on which they may be made.

For example, a request for an extension of time to file a notice of opposition, when filed outside the statutory period, is governed by the provisions of regulations 5.2(3), 5.3 and 5.4(4). Sub-regulation 5.2(3) specifies the **only** allowable grounds on which a potential opponent may rely when requesting an extension of time outside the statutory period.

If an agent's error or omission is relied upon there has to be a causal link between the error or omission by the agent of the potential opponent and the failure to file the Notice of Opposition within time. On the part of the potential opponent there needs to be a clear intention to oppose within the allowed time, or failing that, demonstration of an intention to get to an informed position from which it might make the decision whether or not to oppose. To create the causal link, the agent's error or omission should be something which has thwarted the potential opponent's intentions in respect of initiating the opposition. See *Kimberly-Clark Ltd v Commissioner of Patents* 13 IPR 569; *Application by Mission Personnel Services Pty Ltd* (1998) 42 IPR 255; *British Sky Broadcasting Ltd v SkyNetGlobal Ltd* (2003) ATMO 17; *Now Screen Pty Ltd v Infobreak Pty Ltd* [2007] ATMO (not yet reported).

Please **note** that consideration of the relative inconvenience to the parties, and the public interest, no longer apply to applications to file notice of opposition. They were relevant under the 1955 Act but are not under the 1995 Act.

**What a supporting declaration should not say! Like an affidavit, a declaration is intended to provide an opportunity for a proper demonstration of the facts which support the legal basis relied upon.** *Pinky's Pizza Ribs on the Run Pty Ltd v Exxonmobil Oil Corp* [2007] ATMO 38 (9 July 2007) is a good example of a supporting

declaration rather than full of assertions about questions of law that are for the hearing officer's decision and rather too short on the facts on which those assertions were based.

## **PRACTICE AND PROCEDURE**

*Optiver Australia Pty Ltd v Tibra Trading Pty Ltd* [2007] FCA 1348

Purpose of preliminary discovery under O 15A r 6 of Federal Court Rules 1979 (Cth) narrower than discovery after action commenced - need only provide evidence sufficient to enable applicant to decide whether to pursue proceedings.

See also *Khaled v Rapid Building Systems Pty Ltd* (ACN 054 779 930) [2007] FCA 1332

*Inamed Development Company v Morton Surgical Pty Limited* [2007] FCA 1359

Whether leave should be granted to file late expert evidence in patent case – whether admissible and necessary proviso to protect other party.

*Ecolab Pty Ltd v Klen International Pty Ltd* [2007] FCA 1376

Application for interim injunction based on employment contract and alleged copying of confidential information onto CD-ROMs by employee who resigning to join competitor. Injunction to restrain disclosure of confidential information and solicitation of former customers granted

## **NEW LEGISLATION**

Trade Practices (Industry Code – Franchising) Amendment Regulations 2007.

Copyright Amendment Act 2006



And finally...

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