

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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PATENTS

Black & Decker Inc v GMCA Pty Ltd (No 5) [2008] FCA 1738

Discussion re assessment on an account of profits especially on issue whether the losses made on one item may be set off against profits made on sales of another item.

Nufarm Limited v Jurox Pty Limited [2008] FCAFC 180

Experts disagreed on meaning and scope of technical terms in patent which were not defined. Court construes claims with reference to body of specification including examples language used in specification indicates that certain examples not within scope of claims. Respondent's product relevantly within excluded examples.

Black & Decker Inc v Sunaone Pty Ltd [2008] FCA 1827

Patent and design infringement claim plus cross-claim for revocation. Black & Decker elected to take an account of profits, which were duly assessed at \$77,275.10: *Black & Decker Inc v GMCA Pty Ltd (No 5)* [2008] FCA 1738. Under O 62 r 36A where a party is awarded judgment for less than \$100,000 for a money sum or damages any costs ordered to be paid will be "reduced by one-third of the amount otherwise allowable under this Order unless the Court or a Judge otherwise orders". Court refused to reduce amount.

TRADE MARKS, PASSING OFF AND TRADE PRACTICES

Bing! Software Pty Ltd v Bing Technologies Pty Limited (No 1) [2008] FCA 1760

Alleged infringement of s120 of the *Trade Marks Act 1995 (Cth)* by internet postal service conducted under name BING. The applicant is the registered proprietor of the mark BING

in respect of software. Accordingly the first respondent had infringed the applicant's trade mark. Mr Cranitch, the CEO, was held to have procured or directed that conduct, and accordingly was held liable for the infringement (cf also *King v Milpurrruru* (1996) 66 FCR 474).

No breach of ss 52 and 53 *Trade Practices Act 1974 (Cth)* (TPA) because confusion transient and ephemeral: *Knight v Beyond Properties Pty Ltd* [\[2007\] FCAFC 170](#) at [\[53\]](#).

Court also rejected the passing off claim because of the complete divergence between the businesses of the parties and their prospective customers, and because the applicant failed to prove the likelihood of loss. Note comments on CEO's liability as a joint tortfeasor if applicant successful on passing off claim.

On issue of damages the court found that the applicant had not established any damage by way of loss of sales, loss of reputation or, indeed, any impact whatsoever on the value of its trade mark or otherwise, from the conduct of the first respondent. The activities and customer base of each of the applicant and the first respondent are completely removed from the other. Any confusion between the services offered by the applicant and the first respondent was demonstrated to be short-lived and immediately resolved on inquiry. Accordingly, there was no evidence to warrant compensatory damages or even nominal damages in the absence of quantification of damages (cf *The Sanitas Company Ltd v Condy* (1887) 4 RPC 530; *Munday v Carey* (1905) 22 RPC 273; *Paramount Pictures Corporation v Hasluck* (2006) 70 IPR 293 at 302).

The claim that damages were "at large" was rejected by the court which distinguished *Review Australia Pty Ltd v Innovative Lifestyle Investments Pty Ltd* [\[2008\] FCA 74](#).

Bing! Software Pty Ltd v Bing Technologies Pty Limited (No 2) [2008] FCA 1761

Application for leave to reopen case to adduce further evidence following conclusion of trial and judgment reserved – circumstances invoking Court's discretion – whether interests of justice require reopening

Held: application dismissed – reopening not in interests of justice – tactical decision – evidence unlikely to affect result – principle of finality of litigation precludes reopening

Nokia Corporation v Liu [\[2009\] FCA 20](#)

Issues: whether damages available where mobile phones imported but seized by Customs before reaching market and whether damages available where no evidence of monetary loss suffered by infringing conduct. Clear that the applicant did not lose any sales as a result of the respondent's importation of those mobile phones. Neither was the applicant's reputation or standing damaged in any way. Accordingly, no damages awarded.

Re costs: Whether costs ordered to be paid in proceedings in which less than \$100,000 is recovered should be reduced by one third of the amount otherwise allowable. Court discusses authorities. Stated that it cannot be said that the policy behind r 36A(1) is that proceedings in which less than \$100,000 is recovered should, *prima facie*, have been commenced in some other court or in a tribunal.

Sebel Furniture Limited v Acoustic & Felts Pty Limited [\[2009\] FCA 6](#)

Alleged infringement of shape trade mark in a plastic chair by rival trader. Discussion of

meaning of use as a trade mark, whether goods themselves can constitute a trade mark, whether the trade mark must have a separate identity from that of the goods, whether the features of the shape travel beyond the functional and technical requirements inherent in the goods, whether the rival trader's chair is deceptively similar to the applicant's chair Held no *prima facie* case of trade mark, interlocutory injunction refused.

S. 52 claim based on claim that the promotion and supply of a one piece moulded plastic chair by a rival trader is likely to deceive potential purchasers into believing the rival trader's product was put out by or associated with the applicant or that the rival trader is itself associated with the applicant. Held that the competing products were sufficiently differentiated, interlocutory injunction refused.

CONFIDENTIAL INFORMATION

Futuretronics.com.au Pty Ltd v Graphix Labels Pty Ltd [\[2009\] FCAFC 2](#)

Issues: whether information confidential, – whether provision of information a breach of fiduciary duty or s.182 of [Corporations Act 2001](#) (Cth); where second respondent after cessation of employment with appellant disclosed to third party the name of one of appellant's suppliers whether supplier's name confidential and whether disclosure a breach of confidentiality agreement, second respondent's fiduciary duty or [s.183](#) of [Corporations Act 2001](#) (Cth). Consideration of scope of [ss 182](#) and [183](#) of [Corporations Act 2001](#) (Cth).

Held: The claim under [s.182](#) was properly dismissed. No breach of fiduciary duty by the respondent in relation to the disclosure of the supplier's name had been established because his duty came to an end on the cessation of his employment save as to confidential information. Futuretronics had not established that the supplier's name was confidential. Further, equity would not regard disclosing the supplier's name as misuse of confidential information. It would be a part of Mr Atta's knowledge, skill and experience which, as a result of his previous employment, had become his own. See *Printers & Finishers Ltd v Holloway* [1965] 1 WLR 1 and *Forkserve* 50 IPR 74.

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Elwood Clothing Pty Ltd v Cotton On Clothing Pty Ltd [\[2008\] FCAFC 197](#)

Subject matter was a T-shirt with design comprising words, numerals and logo arranged in a distinctive manner to suggest USA college sporting team. Issue: whether the designs were drawings and therefore artistic works, whether they were literary works because of presence of words and numerals, distinction between literary works and artistic works, and whether respondent had taken only underlying idea rather than expression – idea/expression dichotomy, whether respondent had taken a substantial part of applicant's work by taking layout giving rise to the look and feel.

Held: Both T-shirt and swing tag were drawings and therefore artistic works, not literary works; and by taking layout giving rise to look and feel, respondent had taken original artistic element, and therefore a substantial part of the artistic work.

PRACTICE & PROCEDURE

Cadbury Schweppes Pty Ltd v Amcor Limited (No 3) [\[2008\] FCA 1668](#)

Litigation privilege. Whether confidentiality is required in order for litigation privilege to attach to a communication with a third-party witness and whether dominant purpose is to be assessed from standpoint of party causing the communication to be created . In *Pratt Holdings Pty Ltd v Commissioner of Taxation* (2004) 136 FCR 357, it was made clear (at [35]) that the relevant purpose is that of the person who procured the creation of the communication or document. In this case, the creation of both the communication and the document (transcript) containing that communication was procured by the ACCC. The correspondence and memoranda relied on by Cadbury did not support a finding that the ACCC's dominant purpose was other than to investigate and prosecute suspected cartel conduct.

And finally...

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