Locutus

THE NEWSLETTER OF INTELLECTUAL PROPERTY LAW, STATUTORY DECEPTIVE CONDUCT AND FRANCHISING LAW.

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Welcome to Locutus **Jan/Feb 2010**

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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PASSING OFF /CONTRAVENTION OF THE TRADE PRACTICES ACT 1974 (CTH).

Playcorp Group of Companies Pty Ltd v Peter Bodum A/S [2010] FCA 23

Issue: whether the promotion and supply of similar articles is likely to deceive potential purchasers to believe 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.

Bodum claimed that the evidence showed clearly that it had established a reputation and a secondary meaning in the Bodum Chambord Coffee Plunger and the Bodum Assam Teapot, among a sufficient number of people in Australia to entitle Bodum to the relief it sought. .The impugned conduct was said to arise because people were misled by Playcorp's or DKSH's sale of copy products when the features of those products signified to a sufficient number of people that they were made or licensed by Bodum, part of a Bodum range, or otherwise associated with Bodum.

Playcorp originally submitted that the authorities establish that whether conduct is, or is likely to be, misleading or deceptive or a passing off, is to be determined at the date the conduct complained of commenced. It later submitted that in relation to the s 52 cause of action, the date may be different.

Held: while the relevant date for passing off purposes (namely the date of commencement of the conduct complained of) has been applied in s 52 cases, this is not an absolute rule and, given the different purposes and context of s 52, the rule does not always apply.

Re misleading nature of conduct, court stated: *The question is whether there exists a class of consumers to whom the features of the Bodum Chambord Coffee Plunger and Assam Teapot have a secondary meaning of the type alleged here.*

On this basis, Bodum suggested two questions I accept are to be asked of the class of consumers to which this secondary meaning would be conveyed:

Whether there is a significant number of that class who will, in certain realistic circumstances of sale, be misled by the features of the accused products here.

If so, whether this misconception arises because of the conduct of Playcorp or DKSH in selling copy products.

Of course, in the context of s 52 of the TPA, the ultimate test is whether a 'not insignificant number of persons in the Australian community, in fact or by inference, have been misled or are likely to be misled' by the alleged conduct. Thirdly, the principles established in Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd [1982] HCA 44; (1982) 149 CLR 191 are still applicable.

Held: *The accused products were clearly packaged to distinguish them from Bodum, with no reference to the distinctive name or logo of Bodum. No evidence was led by Bodum of actual confusion of a consumer. If a consumer was familiar with Bodum or the Bodum product range itself, then in my view the comments made in Koninklijke Philips Electronics NV [2000] FCA 876; (2000) 48 IPR 257 at [45] and Dr Martens (1999) 44 IPR 281 at [38] referred to above apply here even though the brands of the accused products are not well known. The knowledgeable consumer would expect to see the name and logo of Bodum on its products. This is how Bodum has in fact marketed its products for very many years. I am of the clear view that consumers are now sophisticated enough (at least in the relevant market here) to understand the concept of competing brands with no trade connection, even though there may be an element of copying. In fact, the similarity may put the consumer on guard to ensure that he or she takes care to purchase 'the original'. The evidence indicates that Bodum understood the need to (and did) educate the relevant market to beware of copyists, and to look for the 'original' Bodum…*

I do not consider that the evidence shows that the packaging of the products in suit plays a subsidiary and insignificant role in the advertising, promotion and sale of the products. The packaging of the accused products is distinctive of the brand displayed, and is different from the Bodum packaging. Bodum's packaging may have changed over the years, but the essential Bodum name and logo have been constant. The boxes of products in suit have been used in many stores and they have been close enough physically to be connected to the product when out of the box, to be instructional and informative of the brand.

Brand extension argument rejected.

Application dismissed.

Nutrientwater Pty Ltd v Baco Pty Ltd [2010] FCA 2

Issues: Adoption of similar get-up for enhanced water products. Held: No liability where allegedly appropriated features were in common use in enhanced water market. Adoption of features of competitors' get-up permissible where respondent's products sufficiently distinguished through branding and other means. Application dismissed

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CONFIDENTIAL INFORMATION

Blackmagic Design Pty Ltd v Overliese [2010] FCA 13

This proceeding concerns those activities, which were discovered by the applicant shortly after Messrs Overliese and Young terminated their employments with it in May 2008.

Issues: Whether the term "business, activity or operation" in restraint of trade clause apt to include preparatory activities in establishment of new business**.** Misuse of confidential information. No dispute as to confidential nature of information. Only issue was its misuse.

PATENTS

Inverness Medical Switzerland GmbH v MDS Diagnostics Pty Limited [2010] FCA 108

Issues: whether product within the claims not useful because claim leaves reader to select appropriate specific binding reagents. Whether applicant's earlier patent anticipates its later patent. Whether additional feature in later patent disclosed in earlier patent. Whether divisional patent takes priority date of priority documents, parent or own filing date. Whether divisional patent fairly based on parent patent or priority documents. Personal liability of director for infringement. – Meaning of "authorise" under s 13 of the Patents Act – whether analogous to copyright law.

COPYRIGHT

Telstra Corporation Limited v Phone Directories Company Pty Ltd [2010] FCA 44

Issue: whether copyright subsists in White Pages and Yellow Pages directories as original literary works. Whether the contributions to the directories involved the necessary independent intellectual effort or sufficient effort of a literary nature.

Issue of subsistence of copyright determined as a separate question. Held does not so subsist for the reasons that the Applicants did not and could not identify who provided the necessary authorial contribution to each Work. "*The Applicants concede there are numerous non-identified persons who "contributed" to each Work (including third party sources); even if the human or humans who*

"contributed" to each Work were capable of being identified (and they are not), much of the contribution to each Work:
2.1 was not "independent intellectual effort" (IceTV [2009] HCA 14; 254 ALR 386 at [33]) and further or alternatively, "sufficient effort of a literary nature" (IceTV [2009] HCA 14; 254 ALR 386 at [99]) for those who made a contribution to be considered an author of the Work within the meaning of the Copyright Act;
2.2 further or alternatively, was anterior to the Work first taking its "material form" (IceTV [2009] HCA 14; 254 ALR 386 at [102]);
2.3 was not the result of human authorship but was computer generated;
the Works cannot be considered as "original works" because the creation of each Work did not involve "independent intellectual effort" (IceTV [2009] HCA 14; 254 ALR 386 at [33]) and / or the exercise of "sufficient effort of a literary nature": IceTV [2009] HCA 14; 254 ALR 386 at [99]; see also IceTV [2009] HCA 14; 254 ALR 386 at [187]- [188]."

Larrikin Music Publishing Pty Ltd v EMI Songs Australia Pty Limited [2010] FCA 29
Issue: whether recordings of a musical work infringed copyright in an earlier musical work by reproducing a substantial part of the earlier work.

Court identified the following necessary steps:
"*The first is to identify the work in suit in which copyright subsists.*
The second is to identify in the allegedly infringing work the part that is said to have been derived or copied from the copyright work.
The third is to determine whether the part taken is a substantial part of the copyright work. The comparison is not concerned with deceptive resemblance as in a passing-off action. This is because the copyright owner's complaint in an infringement action is concerned not so much with resemblance between the works but that the infringer has copied a substantial part of the copyright work. Thus, the copied features must be a substantial part of the copyright work, but they need not be a substantial part of the infringing work, the overall appearance of which may be very different from the copyright work. The comparison involves an examination of the similarity between the works to see whether they are sufficiently close, numerous or extensive so as to be more likely to be the result of copying than coincidence."
Held: that the musical work was an infringement.

Roadshow Films Pty Ltd v iiNet Limited (No. 3) [2010] FCA 24

This proceeding raises the question of whether an internet service provider or ISP authorises the infringement of copyright of its users or subscribers when they download cinematograph films in a

manner which infringes copyright. In Australian copyright law, a person who authorises the infringement of copyright is treated as if they themselves infringed copyright directly.

Held: no authorization. Being Appealed.

And finally...