

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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TRADE MARKS

Sporte Leisure Pty Ltd v Paul's International Pty Ltd (No 3) [2010] FCA 1162

The recent case of **Sporte Leisure Pty Ltd v Paul's International Pty Ltd (No 3) [2010] FCA 1162** does **not** provide the means to prevent parallel imports in all its guises. The decision is fact specific in that it was concerned with a licensee whose licence was limited to India but who nevertheless accepted an order from a buyer in Pakistan and arranged for the offending goods to be shipped to the buyer via Singapore.

The respondents were alleged to have infringed the second applicant's registered trade marks by importing and offering for sale in Australia garments to which the marks had been applied by the second applicant's licensee for the territory of India. Respondents relied on the defence under s 123 of the *Trade Marks Act 1995 (Cth)*.

The defence raised issue whether trade marks applied to the garments by licensee with the consent of the trade mark owner, especially whether the licensee was permitted to apply the marks to garments manufactured for sale by it in Pakistan.

Held: the licensee was only permitted to apply the marks to garments sold by it in India. The Court found that the garments were made by the licensee for sale outside India. Importation and sale of garments by second respondent infringed second applicant's marks as marks not applied with the consent of their owner.

Solahart Industries Pty Ltd v Solar Shop Pty Ltd (No 1) [2010] FCA 1083

The applicants wished to amend their pleadings to make a claim for infringement under s 120(3) of the *Trade Marks Act 1995*. Under that section an applicant may succeed against a respondent who uses a deceptively similar sign in respect of quite unrelated goods or services but only after showing that the trade mark in question “is well known in Australia” (s 120(3)(a)); that by reason of that notoriety the use of the infringing sign would be likely to be taken as signifying a connexion between those goods and the owner of the mark (s 120(3)(c)); and that the interests of that owner are likely to be “adversely affected” thereby (s 120(3)(d)).

Held: The words used in s 120(3)(c) are “well known” and this expression must mean, so it seems to me, widely or generally known. I would not go so far as to say that “well known” means “famous” for fame carries with it not only connotations of widespread reputation (as “well known” does) but also of excellence or achievement: the tax office is well known but Madonna is famous.

..It is quite possible that a trader could acquire a substantial, perhaps a formidable, reputation and goodwill in a particular mark without that mark being “well known” in the sense that it is used in s 120(3). There will, for example, be cases where a trader occupies a dominant position in a market with which the general population has no familiarity at all such as that which might obtain in the case of a manufacturer of lenses, engine cylinders or microscopes. In such cases it is easy to imagine a substantial reputation inhering in a trade mark without that mark being “well known”. One may accept that it is likely that any mark which is “well known” in the sense used in s 120(3) will have attached to it a substantial reputation and goodwill but the converse need not be true.

Bavarian Hospitality Group Pty Ltd v SakeSake Izakaya Pty Limited [2010] FCA 1102

The applicant sought an order that the respondent be restrained pending the final outcome of the proceedings from conducting any restaurant business in Sydney or Brisbane under or by reference to any of the names ‘Sake’, ‘Sake Sake’, any name beginning with the word ‘Sake’ or any other name which is deceptively similar to the applicant’s name ‘Sake’, ‘Saké’ or ‘Sake Restaurant’.

The respondent’s restaurant had been trading since 24 May 2010 under the name ‘SakeSake’. It advertised itself before it started trading on 23 February 2010.

The applicant sought to explain away the delay in commencing proceedings by arguing that it was reasonable and indeed proper for the applicant to overcome the Trade Mark Registrar’s initial objections to its trade mark application before asserting its rights against third parties. The trademark application was lodged on 23 June 2010. The first report was issued on 30 June 2010 and the trademark was accepted on 24 August 2010 (the application having been expedited as requested by the applicant).

According to the applicant, it decided not to commence proceedings until it had its trade mark accepted.

Held: In circumstances where it is the applicant’s case that this is a critical time for it having regard

to the proposed expansion by the opening of the second restaurant in Brisbane, it was incumbent upon the applicant to act to act with expedition. Acting with expedition at the time that it first became aware of the respondent's premises not later than 28 June 2010 might have possibly ameliorated some of the "devastating" impact that the making of an interlocutory order would now have upon the respondent, it having traded since 24 May 2010 through June, July, August and September 2010, with the first notice of any objection from the applicant being on 7 September 2010.

This evidence of the impact of the interlocutory order on the respondent, when taken with delay by the applicant and combined with the evidence that the respondent's investment decisions were made without knowledge of the applicant's business, means that the balance of convenience in this matter weighs heavily in favour of the respondent and against the making of any interlocutory order as sought by the applicant.

PATENTS

Australian Mud Company Pty Ltd v Coretell Pty Ltd [2010] FCA 1169

Deals with issue of material variation on the invention defined in the patent.

Aspirating IP Limited v Vision Systems Limited [2010] FCA 1061

Appeals under s 60 of the Patents Act 1990 (Cth). Issue: what was priority date of claim. HELD: Priority date of claim was date of filing of patent application in United Kingdom because United Kingdom application contained real and reasonably clear disclosure of relevant bypass arrangement.

Apotex Pty Limited v Les Laboratoires Servier (No 2) [\[2009\] FCA 1019](#)

Amendment to claims under s 105 of the Patents Act 1990 (Cth) - whether claims fairly based on the matter in the body of the specification as required by s 102 of the Patents Act

CSL Limited v Novo Nordisk Pharmaceuticals Pty Ltd (No 2) [2010] FCA 1251

Application to amend patent in course of infringement proceeding – Whether amendment should be allowed – Criteria to be applied – Whether patentees aware of need to amend patent in suit as a result of problems with similar claims identified by examiners in foreign jurisdictions – Whether conduct of patentees was reasonable in not applying to amend at some earlier time – Whether patentees should have commenced infringement proceeding on unamended claims – Effect of circumstance that it is not yet known whether claims are in fact invalid – Effect of public interest on need to amend

CONFIDENTIAL INFORMATION

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Schutz DSL (Australia) Pty Ltd v VIP Plastic Packaging Pty Ltd (No 6) [2010] FCA 1106

Discovery – confidential documents – inspection by in-house counsel of trade rival – principles to be

applied – potential conflict of duties – discovery not yet given – application premature

The leading Australian case is *Mobil Oil Australia Ltd v Guina Developments Pty Ltd* (1995) 33 IPR 82.

Yara Australia Pty Ltd v Burrup Holdings Limited (No 2) [2010] FCA 1304

application for continuation of confidentiality orders pursuant to s 50 Federal Court of Australia Act 1976 (Cth) - relevant principles - whether continued confidentiality necessary to prevent prejudice to the administration of justice

SECTION 52 /CORRECTIVE ADVERTISING

Australian Competition and Consumer Commission v Singtel Optus Pty Ltd (No 3) [2010] FCA 1272

Relevant considerations: *In each case, the nature of the original conduct must be carefully considered and an assessment made of the continuing presence in the public's mind of the deception (where the expression "the public mind" is understood as a convenient shorthand for the ordinary class of consumers of broadband products less those afflicted by reactions which are extreme or fanciful: Campomar Sociedad Limitada v Nike International Ltd [2000] HCA 12; (2000) 202 CLR 45 at 86 [105] per the Court).*

*Where television commercials are concerned there needs to be a recognition of the frequently low attention devoted by consumers to them and their essentially transient nature. ("[The advertisements] will be seen by the casual but not overly attentive viewer viewing a free-to-air program with only a marginal interest in the advertisements shown between the segments of the program": *Telstra Corporation Ltd v Optus Communications Pty Ltd* (1996) 36 IPR 515 at 523-524 per Merkel J cited with approval in *Cassidy* 135 FCR at 23 [60]). There will be some consumers who will not be watching television live and will fast-forward through all of the commercials. Amongst those who do not take that course there will be many who are not paying especially close attention to what is happening. This is not to say that television commercials are not very effective in their own way but rather to underscore that they may not be ideal for the delivery of complicated information. One may well establish brand awareness using a constant diet of brand references or striking images but the delivery to consumers of detailed information requiring cognition is unlikely to be effective: people watching television commercials are rarely in a contemplative or thinking mood. This observation is relevant not only to gauging the impact of the initial advertisement but also to the capacity of corrective advertising – with its complex message – to operate effectively: cf. *Cassidy* 135 FCR at 24 [62]-[63].*

And finally...

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