Locutus

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

Fourth Floor, St James Hall, 169 Phillip Street Sydney NSW 2000, DX 330 Sydney
Phone Number: 9237 0536

Author and senders of this e-mail: **Carmen Champion, Barrister-at-Law.**
E-mail: carmen.champion@stjames.net.au
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Welcome to Locutus **DECEMBER 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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THE TWO CASES REPORTED BELOW ARE ESSENTIAL READING FOR THE HOLIDAYS!!

TRADE MARK LAW

Optical 88 Limited v Optical 88 Pty Limited (No 2) [2010] FCA 1380

This judgment is a must read for anyone practising in the trade mark area. It summarises the relevant law on and considers:

(a) Significance of essential/dominant feature in composite mark in determining infringement;

(b) The section 122(1)(a)(i) and (fa) defences;

(c) Removal application under s.92(4)(a) & (b)/whether use with additions or alterations not substantially affecting the identity of the mark established/whether use in course in trade established by sending of bonus coupons and cash coupons from Hong Kong to customers resident in Australia as an incident of trade/whether use was in relation to goods or services/principles relevant to exercise of discretion;

(d) Copyright in logo;

(e) Relevant time for assessing claim based on passing off/contravention of s.52 of the Trade Practices Act 1974 (Cth).

A short summary of the facts: The applicant was incorporated in Hong Kong on 14 August 1987 and conducts its business under the name OPTICAL 88; there was no evidence that the applicant supplies

products branded with any of the registered trade marks that has been pleaded in this proceeding; there had been a significant expansion in the number of stores conducting the applicant's business from 1988 onwards;in 1988 there were 15 to 17 stores operating in Hong Kong & in 1991 there were 53 stores in Hong Kong. In 1992 the applicant opened a store in Macau. By that time there were 63 stores operating in Hong Kong. In 1993 the number of stores in Hong Kong had reduced to 58 stores. However, in 1997 there were 68 stores in Hong Kong, two in Macau, 16 in Thailand and seven in Singapore. In 2008 there were 83 stores in Hong Kong, four stores in Macau, 21 stores in mainland China, 38 stores in Thailand, 24 stores in Singapore, 23 stores in Malaysia and two stores in Canada. Some of these stores are franchised.

On 11 February 1992 the respondent caused the business name OPTICAL 88 to be registered in NSW/in early November 1993 the first respondent opened a new shop at Chatswood, a suburb on the North Shore of Sydney./in July 1995 the first respondent opened another new store in Eastwood, a northern suburb of Sydney./the respondents did not dispute that, since August 1993, the first respondent had used the name OPTICAL 88 in conducting its practice and business. It had used the name on store signage; business cards, reminder cards, invoices and other business stationery; spectacle cases and cleaning cloths; plastic shopping bags; loyalty cards and advertising in local Chinese newspapers. Sometimes this use has been in combination with, or in proximity to, "OPTICAL 88" (in Chinese characters) or the first respondent's logo. Sometimes the name has been used in association with the word "Vision" or "Vision Centre".

COPYRIGHT LAW

Telstra Corporation Limited v Phone Directories Company Pty Ltd [2010] FCAFC 149

The appellants' case was that each White Pages Directory and Yellow Pages Directory is an original literary work. In particular, each directory was said to be a compilation consisting of the expression of the information in individual listings in their particular form and arrangement and in the overall arrangement of the individual listings, and, additionally in the case of the YPD, in the cross-referencing of the information under subject matter headings.

Numerous individuals, some identified and some not, contributed to the work preparatory to the compilation of each of the WPDs and YPDs, but the compilations were brought into the form in which they were published primarily by an automated computerised process.

The trial judge had approached the determination of the question by reference to the decision of the High Court of Australia in *IceTV Pty Limited v Nine Network Australia Pty Limited* [2009] HCA 14; (2009) 239 CLR 458. Her Honour held at [2010] FCA 44 at [5]:

> *"For the reasons that follow, copyright does not subsist in any Work. None is an original literary work. By way of summary:*

(a) *among the many contributors to each Work, the Applicants have not and cannot 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);*

(b) *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:*

i. *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;*

ii. *further or alternatively, was anterior to the Work first taking its "material form" (IceTV [2009] HCA 14; 254 ALR 386 at [102]);*

iii. *was not the result of human authorship but was computer generated;*

(c) *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].*

The appeal from that decision was dismissed.

KEANE CJ concluded as follows:

The reasons of the High Court in IceTV authoritatively establish that the focus of attention in relation to the subsistence of copyright is not upon a general concern to prevent misappropriation of skill and labour but upon the protection of copyright in literary works which originate from individuals. In this case copyright was said to subsist in the directories as compilations, but the directories were not compiled by individuals.
In IceTV the High Court recognised, at [52] and [135]-[139], that this focus may give rise to a perception of injustice on the part of those whose skill and labour has been appropriated. Whether or not that means that legislative reform of the kind adopted in the European Union by the Directive of the European Parliament and of the Council on the Legal Protection of Databases is warranted is a matter for the legislature. This Court can give effect to the statutory monopoly conferred by the Act only in conformity with the terms of the Act.

And finally...

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