

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

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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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Confidential Information/Restraint of Trade Covenant

Miles v Genesys Wealth Advisers Limited [2009] NSWCA 25

Issue: Attempt to enforce covenant by employee on termination not to engage in identified business and not to deal with clients for 30 months. Question arose as to whether confidential information needed to be identified with precision.

Court drew a distinction as follows:

"22 In my opinion, it is important to keep in mind that this is not a case where what is relied on is (1) an equitable obligation of confidentiality (as in O'Brien); or (2) the existence of a trade secret (as in GlaxoSmithKline); or (3) a direct restraint against use of confidential information (as in Pioneer, and also Wright v Gasweld Pty Limited (1991) 22 NSWLR 317 and Del Casale v Artedomus (Australia) Pty Limited [2007] NSWCA 172; (2007) 73 IPR 326). Rather, it is (4) a case where there is a restraint on engaging in certain conduct, by reference to the potentiality for confidential information to be used to the promisee's detriment, as in Kone Elevators Pty Limited v McNay (No 2) (1997) Aust Contract R 90-080.

23 In relation to categories (1) to (3), it is plainly necessary to identify with some precision the confidential information, not least because an injunction in terms of a prohibition against using undefined confidential information would be inappropriately vague and uncertain, while an injunction restraining the use of globally defined information only some of which was confidential could not be justified.

24 However, there are different considerations that apply in relation to category (4)".

Elecon Australia Pty Ltd v Brevini Australia Pty Ltd [2009] FCA 1327

Discussion of whether confidential information is property and whether confidential information may be protected if not property. Also discusses whether an entity entitled to the benefit of an express covenant of confidence must be joined to proceedings commenced by a party to whom the confidential information was assigned.

Grammer v Johnson [2009] NSWSC 1360

Application by former client for injunction to restrain solicitors from acting which was based wholly on apprehension of misuse of confidential information about plaintiff's financial position. Applicant had given last instructions given four years ago. Not established that solicitors possess any relevant information or that reasonable person would have apprehension of misuse of any information

Patent Infringement**Bitech Engineering v Garth Living Pty Ltd [2009] FCA 1393**

Construction of patent for simulating flames with common application in domestic room heaters. Issue: whether the respondents' domestic room heaters infringed some of the claims in the patent & whether the patent is invalid and should be revoked. Held no infringement and no invalidity.

Copyright & Designs**Deckers Outdoor Corporation Inc v Farley (No 5) [2009] FCA 1298**

Considers level of complexity required for copyright to subsist in an artistic work, and the calculation of damages, especially the factors to be considered in the calculation of additional/exemplary damages under s 115(4) of the *Copyright Act 1968 (Cth)*.

Metroll Queensland Pty Ltd v Mark Nicholas Collymore, Courier Pete Pty Ltd [2008] ADO 9 (1 December 2008)

Issue: ownership of design. Involved an asserted employer/employee relationship.

Held: the principles relating to inventorship under the *Patents Act 1990* apply generally to designship under the *Designs Act 2003*. Both involve activities of original creativity. Both involve situations where multiple people can be involved in the creative exercise. And both require devolution of title from the creator of the work to the person obtaining the legal monopoly right.

Spencer Industries v Collins [2003] FCA 542, 58 IPR 425 relied upon.

Held: "In considering this phrase, Branson J rejected the proposition that any invention made by Mr Collins which was capable of advancing Spencer Industry's sales was an invention made by him in the course and scope of employment – on the basis that such an interpretation was unacceptably broad in ambit. Rather Branson J considered the phrase referenced those activities which a person was paid to do – either by way of an ongoing expectation with regard to normal duties, or consequential to a specific direction. It follows that the phrase 'in the course of employment' as used in s.13(1)(b) of the *Designs Act* should be interpreted on the same basis."

See also *Allen Hardware Products Pty Ltd v Tclip Pty Ltd* [2008] ADO 7 (4 June 2008)

Trade Practices Act**AMI Australia Holdings Pty Limited v Bade Medical Institute (Aust.) Pty Limited (No 2) [2009] FCA 1437**

Extensive discussion of Section 75B of the *Trade Practices Act 1974 (Cth)* (accessorial liability) and liability of directors and joint tortfeasors for misleading conduct and trade mark infringement.

Trade Marks**Alcon Inc v Bausch & Lomb (Australia) Pty Ltd [2009] FCA 1299**

The applicant sued the respondent for infringement of the applicant's registered trade mark number

483823 for the word (or letters) "BSS" in Class 5 for ophthalmic irrigating solution. The sole complaint of the applicant was that the respondent supplied and offered to supply ophthalmic irrigating solution under or by reference to the sign "BSS" by supplying and offering to supply 19 ml plastic bottles of its AQSIA™ brand balanced salt solution to ophthalmic surgeons and others in circumstances where the label on those containers took the following form:

AQSIA™

BSS 19 ml

STERILE

CE

1275

BAUSCH & LOMB 4010000.

Respondent held to have infringed the applicant's "BSS" trade mark – respondent not entitled to an order cancelling the registration of that trade mark

Franchising

Battery World Pty Limited v Heavenly Bound Pty Limited & Ors [2009] NSWSC 1309

Separate Questions - Franchise Agreement - meaning of 'termination'.



**Wishing you all the Best
for 2010**

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