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Intellectual Property Law Cram Notes

1st Edition



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1. INTRODUCTION

A. HOW TO USE CRAM NOTES

The Intellectual Property Law Cram Notes are formatted into a step-by-step guide, which you can use as a checklist in your exams to ensure that every element of the exam question is answered. You may find the Table of Contents to be a quick and useful overview of the law to be applied.

You should also answer the exam question using the ILAC method, which will ensure your answer is comprehensive.

Issue	State the legal issue relevant to the problem
Law	Identify the relevant case law and legislation
Analysis	Analyse and apply the law to the legal issue. This is the most important part, so ensure your legal analysis is very thorough.
Conclusion	Form a conclusion based on your analysis and application of the law, giving some practical advice to the hypothetical client.

It is very important to spend time perfecting your analysis section, as this is the part that examiners are most interested in. Do not worry if you reach the correct conclusion (there often isn't one clear answer) – examiners will give more weight to your legal analysis, and sometimes may even reward answers that propose an innovative and unconventional answer!

B. ABBREVIATIONS

The Intellectual Property Law Cram Notes will refer frequently to the High Court of Australia as the HCA and the Federal Court of Australia as the FCA.

2. IS THERE A BREACH OF COPYRIGHT?

A. DOES COPYRIGHT EXIST (SUBSISTENCE OF COPYRIGHT)

i. IS IT "WORKS"?

There are four main types of 'works' (literary, artistic, musical, dramatic). These are often referred to as 'primary' works.

1) Literary

Literary works are works expressed in print or writing including a table, compilation, computer program, preparatory design material for a computer program, or database (Copyright Act 1968, s 10(1))

- expressed in print or writing, irrespective of the question whether the quality or style is high (*University of London Press Ltd v University Tutorial Press Ltd [1916]*)
- intended to afford either information and instruction, or pleasure, in the form of literary enjoyment (*Hollinrake v Truswell [1894]*)
- that are the result of an exercise of knowledge, judgment, labour or skill. (*Express Newspapers v Liverpool Daily Post [1985]* ; *Ladbroke (Football) Ltd v William Hill (Football) Ltd [1964]*)



- It was not sufficient that he was aggrieved by what had occurred. Some alterations were minor, others had been foreseen (eg. reduction of the scale of the drawing), and others were to peripheral aspects of the drawing and were too trivial to elevate such differences to derogatory treatment.

Schott Musik International GmbH & Co v Colossal Records of Australia Pty Ltd [1997] FCA

- The adaptation must be so lacking in integrity or quality that it can properly be said to have degraded the original work.

Fairfax Media Publications Pty Ltd v Reed International Books Australia Pty Ltd [2010] FCA 984

- Where evidence was established of a work of joint authorship, it is not essential for copyright purposes to name every individual author, provided that some authors could be identified as employees with specific roles, and that the skill and labour in relation those specific roles could also be identified. Therefore, it is not necessary to identify every individual involved in authorship of the works.

3. IS THERE A BREACH OF A TRADEMARK?

A trade mark is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person (s 17 *Trade Marks Act 1995*)

A. HAS THE TRADEMARK BEEN PROPERLY REGISTERED?

i. REGISTRATION FORMALITIES (EXAMINATION OF TRADEMARK)

1) Is it a sign?

Consider whether it falls into one of the categories listed in the s 6 definition of a sign.

"sign" includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent.

"word" includes an abbreviation of a word.

2) Ownership

A person may only make an application for registration for a trade mark if they are the owner of the trade mark (s 27(1)(a)). Joint owners may also apply for registration under s 28.

3) Is there use or an intent to use?

Pursuant to s 27(1)(b), the person applying for the trade mark must demonstrate that they are using or are intending to use the trade mark in relation to the goods and/or services, or will authorise someone else to use it.

4) Is there a graphical representation?

An application for the registration of a trade mark must be rejected if the trade mark cannot be represented graphically (s 27(3)(a) and s 40).

5) Nomination of classes

Goods and services must also be nominated in specific classes as per s 27(3)(b) and *Trade Marks Regulations 1995 (Cth)* reg 4.4.



ii. IS THERE DISTINCTIVENESS?

In order for a trade mark to be registered, the mark must be one that is distinctive. There are three ways in which the mark may become distinctive.

1) Inherently adapted to distinguish

Under s 41(3), the trade mark must be inherently adapted to distinguish the designated goods or services from the goods or services of other persons. As such, it is unlikely to be distinctive if other traders will want to use the mark for the same purposes (*Blount Inc v Registrar of Trade Marks (1998)*).

The test for whether a mark is 'inherently adapted to distinguish' involves two steps:

1. Is the mark suited to the purpose of distinguishing the goods?
2. Is there acquired distinctiveness?

Words may be inherently adapted to distinguish if used out of their normal "descriptive" context. There is no need to prove distinctiveness through use if the sign is already inherently adapted to distinguish.

Clark Equipment Co v Registrar of Trade Marks [1964]

- The question is whether the mark, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others
- This will largely depend on whether other traders are likely to, in the ordinary course of their business and without improper motive, desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods.

2) Inherent capacity to distinguish

Where the trade mark is not inherently adapted to distinguish, consider whether, with use, the mark could it become distinctive (s 41(5))? This is otherwise known as the test for acquired distinctiveness.

Blount Inc v Registrar of Trade Marks [1998]

- Such a question is concerned with the issue of whether a word is adapted to distinguish one trader's goods from the goods of all others, not with the issue whether the trade mark does in fact distinguish one trader's goods from the goods of all others

Geographical Terms

Magnolia Metal Co's Trade Mark [1897]

- MAGNOLIA was a geographic name in the US and hence a trade mark for MAGNOLIA in respect of heavy metal machinery was opposed.
- The UK Court of Appeal held that a name is 'geographic' if it refers to a locality; it does not mean the name of a place. If the word is associated with something other than the source of the goods, it may be registrable even if there is also a place with that geographic name.

Clark Equipment Co v Registrar of Trade Marks [1964]

- MICHIGAN was refused registration with respect to earth moving equipment as other traders might want to use the name (without improper motive) in relation to similar equipment.

Colorado Group Ltd v Strandbags Group Pty Ltd [2007]



- The court ordered the cancellation of the COLORADO trade mark registration in respect of backpacks as use of the word COLORADO as a trade mark was not inherently distinctive.
- The Court said that the relevant question was whether the mark had an inherent significance that other traders may honestly wish to use in relation to similar goods (not whether the mark was used by the applicant in a geographical sense).
- Other traders may wish to use the mark as "the word Colorado conjures up notions of trekking, ruggedness, fashion, Rocky Mountains and so on", so other traders may want to use COLORADO to signify such characteristics in addition to its geographic meaning.

Coined/Invented Words

True 'coined words' are inherently adapted to distinguish.

Howard Auto-Cultivators Limited v Webb Industries Pty Ltd [1946]

- The applicant claimed 'Rohoe' for agricultural machinery was an invented word.
- The HCA held that the meaning of an 'invented' word must be assessed according to what it would mean to a person in the trade in question. It will not be registrable if it is merely an obvious imitation of a known word or a recognisable combination of existing words.
- Here, 'Rohoe' was found to be understood as an abbreviation of 'rotary hoe', and therefore not registrable.

Laudatory terms

Burger King Corp v Registrar of Trade Marks [1973]

- WHOPPER was denied registration because it meant 'uncommonly large' and was therefore descriptive and laudatory.

Ocean Spray Cranberries Inc v Registrar of Trade Marks [2000]

- The mark CRANBERRY CLASSIC was not capable of distinguishing Ocean Spray's goods from those of other traders. The words CRANBERRY CLASSIC were displayed on the labels of that product in a manner similar to the words, admittedly purely descriptive, that identified other drinks in the range.
- The word "classic" is intended only to convey the notion of excellence, and the words "cranberry classic" mean no more than "quality cranberry".
- Other cranberry fruit drink traders might well wish to use the laudatory word "classic" in conjunction with identification of the juice used in their product.
- The words describe the nature of the juice, with a commonplace laudation.

Phonetic equivalence

Re Trade Mark "Orwoola" (1909)

- ORWOOLA was equivalent to 'all wool'. It should therefore be assessed as though it said 'all wool'.

Shapes

Koninklijke Philips Electronics NV v Remington Products Australia Ltd [2000]

- the inherent form of a product cannot function as a trade mark.
- Stone J described the inherent form of a product as those aspects with functional significance.

Kenman Kandy Australia Ply Ltd v Registrar of Trade Marks [2002]

- The entire shape of a product may be registered. It is not relevant that the public may need to be educated to see the shape as a badge of origin.



- The shape should be considered in the context of the market in which it is placed, and then decide on its adaptation to distinguish using the usual tests.

3) **Distinctive due to prior use**

Where there is neither inherently adaptation to distinguish nor inherent capacity to distinguish, consider whether there is actual distinctive use prior to the filing date of the application (s 41(6)). This can be proved by prior use of the mark, which has led acquired distinctiveness (employing the same tests as inherent capacity to distinguish).

Blount Inc v Registrar of Trade Marks [1998]

- OREGON was inherently lacking capacity to distinguish but was distinctive in fact from prior use and could therefore be registered.

B. ARE THERE GROUNDS FOR REFUSAL OF REGISTRATION?

i. NOT CAPABLE OF DISTINGUISHING

If there is no acquired distinctiveness or distinctive factor as discussed above, registration will be denied (s 41(2)). Marks not capable of distinguishing are those that consist wholly of a sign that is ordinarily used to indicate kind, quality, quantity, intended purpose, value, geographical origin or some other characteristic of goods or services of the time of production of goods, or of the rendering of services (note 1 of s 41(6)).

ii. CONFLICTS WITH EXISTING TRADEMARK

The registration of a trade mark may be rejected if the trade mark is substantially identical with, or deceptively similar to a previously registered trade mark (s 44).

Consider whether the marks are:

1. identical;
2. substantially identical; or
3. deceptively similar

1) Substantially Identical

Shell Co v Esso Standard Oil (1961):

- The marks should
 - o Be compared side by side, and
 - o their similarities and differences noted;
- The importance of these is assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.

Torpedoes Sportswear v Thorpedo Enterprises (2003):

- when the totality of the characteristics of a device mark incorporating the word Torpedoes was compared with the application THORPEDO, on a side-by-side comparison the two marks were not substantially identical.

Pianotist Co.'s Application (1906)

- This case provides the test for word marks
- The two words must be judged both by their look and by their sound.
- Consider:
 - o the goods to which they are to be applied.



- the nature and kind of customer who would be likely to buy those goods.
- the surrounding circumstances
- If, considering all those circumstances, the conclusion is that there will be confusion in the mind of the public which will lead to confusion in the goods, then registration must be refused

Aristoc v Rysta (1945):

- whether the sound of one word resembles the sound of another will depend on first impression, as obviously a person who is familiar with both words will neither be deceived nor confused.
- It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived.
- Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable, pronounced with the clarity

2) **Deceptive Similarity**

Under deceptive similarity, the marks are not assessed side-by-side, but by reference to the impression that they leave on the ordinary purchaser of the goods/services.

Under s 10 of the *Trade Marks Act 1995*, a trade mark is taken to be deceptively similar to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion.

Shell Co v Esso Standard Oil (1961):

- the comparison is between, on the one hand, the impression based on recollection of the plaintiffs mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's mark.

Australian Woollen Mills v Walton (1937) HCA, per Dixon & McTiernan JJ:

- It is a question of fact for the court to decide whether there is such a reasonable probability of deception or confusion that the use of the new mark should be restrained.
- In deciding this question, the marks should not be compared side by side.
- An attempt should be made to estimate the effect or impression produced on the mind of potential customers

Southern Cross Refrigerating v Toowoomba Foundry (1954)

- While the mere possibility of confusion is not enough, as there must be a real, tangible danger of its occurring, it is sufficient if the result is that it will cause consumers to wonder whether the two products come from the same source.
- It is enough if the ordinary person entertains a reasonable doubt.

In comparing the goods and services covered by the respective trade marks, include goods which are similar, services which are similar, or goods and services which are closely related. It is not determinative whether they are in the same class or not.

Southern Cross Refrigerating v Toowoomba Foundry (1954)

- Consider the
 - the inherent character of the goods; the respective uses of the goods;
 - the trade channels through which the goods were to be sold; the origin of the goods;
 - the purpose of the goods;
 - whether the goods were commonly produced together/distributed by the same wholesaler;



i. PROFITS

- Decline in sales (*IRC v Muller's Margarine (1901)*)
- Damage to the opportunity to expand into a new field (*Lego v Lemelstrich (1983, UK)*)
- Potential damage included damage to the plaintiffs opportunities to license its mark, leading to a loss of potential licensing revenues (*Mirage Studios v CounterFeat Clothing (1991)*)
- Potential damage did not apply where the plaintiff could show no evidence of intending to exploit his name (*Stringfellow v McCain (1984, UK)*)
- The damage must be reasonably foreseeable (*Mothercare v Penguin Books [1988, UK]*)
- Damage could stem from the public's confusion of the defendant with the plaintiff (*Walter v Ashton [1902]*)

ii. DAMAGE TO REPUTATION

- Damage caused by the public association two products as being related, and the plaintiff is thereby tarnished or damaged by connotations of the respondent (*Associated Newspapers v Insert Media (1991)*)
- Damage to reputation could occur where the plaintiff is involved in luxury or high-quality goods and the respondent's activities undermine this reputation (*Annabel's Berkeley Square v Schock (1972)*)

E. CONSIDER BREACH OF SCHEDULE 2, SECTION 18 OF THE COMPETITION AND CONSUMER ACT?

Consider also the potential breach of Schedule 2, section 18 of the *Competition and Consumer Act 2010*, as the action of passing off is closely linked to and may be established on the same set of facts.

6. IS THERE BREACH OF SCHEDULE 2, SECTION 18 OF THE COMPETITION AND CONSUMER ACT?

Schedule 2, section 18 of the *Competition and Consumer Act 2010* prohibits misleading or deceptive conduct (and conduct that is likely to mislead or deceive) by corporations in the course of trade or commerce.

In practice, a misleading and deceptive conduct case will often be brought in conjunction with an action for passing off. While misleading and deceptive conduct probably covers all commercial conduct that would be considered to be passing off, not all passing off would contravene *Competition and Consumer Act 2010*.

A. SIMILARITY TO PASSING OFF

Misleading and deceptive conduct	Passing off
- Protects consumers against traders	- Protects traders against each other
- Aim is to prevent misleading conduct	- Aim is to protect commercial reputation
- Action brought by anyone	- Action brought by injured trader
- Intention is not necessary (strict liability)	- Intention will affect damages
- No damage is required	- Damage is required



B. WAS THERE BREACH BY A CORPORATION ENGAGED IN TRADE OR COMMERCE?

The application of misleading and deceptive conduct is limited to corporations, although 'corporation' is given a wide interpretation. Note that the section does not apply to individuals (different to passing off). The corporation will also need to be engaged in trade or commerce.

'Corporation' is defined in s 4 to mean:

a body corporate that:

- (a) is a foreign corporation;
- (b) is a trading corporation formed within the limits of Australia or is a financial corporation so formed;
- (c) is incorporated in a Territory;

C. IS IT MISLEADING AND DECEPTIVE?

- Conduct must be more than confusing; it must be 'misleading or deceptive'
- Offences are on a strict liability basis (ie. intention is irrelevant)

The test was set out by the Federal Court in the *Taco Bell case*:

- Firstly, it is necessary to identify the relevant section (or sections) of the public (which may be the public at large) by reference to whom the question of whether conduct is, or is likely to be, misleading or deceptive falls to be tested
- Secondly, once the relevant section of the public is established, the matter is to be considered by reference to all who come within it, including the astute and the gullible, the intelligent and the not so intelligent, the well educated as well as the poorly educated, men and women of various ages pursuing a variety of vocations
- Thirdly, evidence that some person has in fact formed an erroneous conclusion is admissible and may be persuasive but is not essential. Such evidence does not itself conclusively establish that conduct is misleading or deceptive or likely to mislead or deceive. The Court must determine that question for itself. The test is objective

7. IS THERE A BREACH OF A DESIGN?

A. HAVE THE FORMALITIES BEEN MET?

Determine whether the formalities under s 43 of the *Designs Act 2003* have been complied with. This involves considering whether the application is in an approved form, whether the application identifies the product(s) in relation to which the design is to be registered, and that the design is not a prescribed design.

B. EXAMINATION OF DESIGN

i. IS IT A DESIGN?

A design is defined as the overall appearance of the product resulting from one or more visual features of the product (s 5).

Consider whether it is:

- A product (s 6)
 - o a thing that is manufactured or hand made is a product (s 6(1))
- The overall application results in one or more visual features (s 7)
 - o A visual feature includes the shape, configuration, pattern and ornamentation of the product, but does not include the feel of the product or the materials used (s 7)



Malleys Ltd v Tomlin [1961]

- The design's appearance should be sufficient if it distinguishes it from the 'fundamental form' of the article. It should not be the same as or a mere imitation of the underlying shape of the article.
- The design need not be represented so that its proportions can be accurately calculated.

ii. IS THE DESIGN NEW?

Consider whether the design is new (s 15(1)). This involves determining whether the design was not in the prior art base at the priority date for the design (neither used in Australia nor published in a document anywhere) (s 15(2)).

iii. IS THE DESIGN DISTINCTIVE?

Consider whether the design is distinctive (s 15(1)). This means that the design is not substantially similar in the overall impression of an informed user (person who is familiar with the product to which the design relates (s 19(4)) to any design in the prior art base.

1) Substantial similarity

To assess substantial similarity, apply the factors in s 19:

- Give more weight to similarities between the designs than differences between them.
- Have regard to the state of development of the prior art base.
- Have particular regard to features disclosed in a statement of newness and distinctiveness (in the context of the whole design, if those features are only part of the design).
- Otherwise have regard to the appearance of the design as a whole.
- Have regard to the freedom of the creator to innovate.

C. OWNERSHIP

Under s 13, the person who created the design (the designer) is the owner, unless it was designed in course of employment or under contract with another person, whereby the other person is the owner.

D. HAS THE DESIGN BEEN INFRINGED?

The design will be infringed if, without license or authority of the registered owner (s 71(2)), the person:

- Makes or offers to make;
- Import into Australia for sale, or use in trade or business;
- Sell, hire or otherwise dispose of;
- Use the product for trade or business;

a product which embodies a design that is identical or substantially similar in overall impression to the registered design.

E. DEFENCES

A defence to infringement is that the person infringing had a license or authority to do so (s 71(2))

8. IS THERE A BREACH OF CONFIDENCE?

Three elements are normally required to establish a breach of confidence:

1. The information must have "the necessary quality of confidence about it"
2. The information was communicated in circumstances importing "an obligation of confidence" and



3. Unauthorised use is made of the information to the "detriment" of the party communicating it (*Coco v AN Clark (Engineers) Ltd [1969]*)

A. WAS IT INFORMATION?

The information must be more than trivial.

Coco v AN Clark (Engineers) Ltd [1969], per Megarry J:

- "I doubt whether equity would intervene unless the circumstances are of sufficient gravity; equity ought not to be invoked merely to protect trivial tittle-tattle, however confidential."

The information must also be sufficiently precise.

Seager v Copydex Ltd (1967) [UK]

- The confidential information must be identified with sufficient specificity for an order to be fair and practicable.

B. DID THE NECESSARY LEVEL OF CONFIDENCE EXIST?

If relative secrecy is maintained, the confidence will be protected.

Franchi v Franchi (1967)

- It's not fatal that other people know the information;
- It's a question of degree in the specific case, but if relative secrecy remains the plaintiff can succeed.

Ansell Rubber v Allied Rubber Industries (1967)

- It's not fatal to a claim that the information is known to others, or even to a substantial number of others.
- However, the information needs to be protected so as not to enter the public domain through carelessness.

C. WAS THERE AN OBLIGATION OF CONFIDENCE?

i. CIRCUMSTANCES

Coco v AN Clark (Engineers) Ltd [1969], per Megarry J:

- If the circumstances are such that any reasonable man standing in the shoes of the recipient of the information would have realised that upon reasonable grounds, the information was being given to him in confidence, then this should suffice to impose upon him the equitable obligation of confidence.

Smith v Dept of Community Services & Health (1991), Full Court, FCA

- To determine the existence of confidentiality & its scope, it may be relevant to consider
 - o Whether the info was supplied gratuitously or for consideration;
 - o Whether there is any past practise of such a kind as to give rise to an understanding regarding confidentiality;
 - o How sensitive the information is;
 - o Whether the confider has any interest in the purpose for which the information is to be used;
 - o Whether the confider expressly warned the confidee against a particular disclosure or use of the information;



ii. NATURE OF RELATIONSHIP

Information concerning sexual conduct between two people conveyed to a third party in confidence remained confidential albeit that both parties to the sexual act were free to disclose that information (*Stephens v Avery [1988]*)

iii. EMPLOYEES

Ansell Rubber v Allied Rubber Industries (1967)

- Relevant factors for determining trade secrecy include the:
 - o Extent to which information is known outside the plaintiff's business;
 - o Extent to which it is known by employees & others involved in the plaintiff's business;
 - o Extent of measures taken by the plaintiff to guard the secrecy of the information;
 - o Value of the information to the plaintiff and the plaintiff's competitors;
 - o Amount of effort or money expended by the plaintiff in developing the information;
 - o Ease or difficulty with which the information could be properly acquired or duplicated by others.

iv. THIRD PARTIES

Third parties may be liable for using or disclosing confidential information. Liability arises once they have actual or constructive knowledge of the confidence.

D. WAS THE INFORMATION USED WITHOUT AUTHORISATION?

The use must also be unauthorised. An unauthorised use is "unconscientious use" (*Smith Kline & French Labs v Dept of Health & Community Services (1991)*)

E. WILL THE USE OF THE INFORMATION CAUSE DETRIMENT?

It is not clear whether detriment is necessary (*Commonwealth v John Fairfax & Sons (1980)*).



We hope you have found the Intellectual Property Law Cram Notes useful for your studies. Please feel free to contact us at www.UniCramNotes.com if you have any problems, comments or suggestions!