

The Protection of Industrial and Intellectual Property Rights under Section 52 of the Trade Practices Act 1974

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I. INTRODUCTION

Despite its location in Part V of the Trade Practices Act 1974 (Cth) which is headed “Consumer Protection”, section 52 has, in the vast majority of cases, been invoked by traders seeking to defend private industrial and intellectual property rights rather than by plaintiffs attempting to vindicate the public interest in the protection of consumers.¹ Section 52 of the Act prohibits conduct in trade or commerce which is or is likely to be misleading or deceptive. In *Hornsby Building Information Centre Pty Ltd v. Sydney Building Information Centre Ltd*² the High Court in its first consideration of section 52 ruled, in a majority decision, that if a trader was able to establish conduct by a defendant in breach of the section, the plaintiff would not be disqualified from relief because it had initiated proceedings “essentially for its own purposes in protection of its own interests and not those of consumers.”³ The majority recognised that a “very direct

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1. See Trade Practices Commission, *Private Actions under the Trade Practices Act* (Canberra, 1981).

2. (1978) 140 C.L.R. 216.

3. *Id.*, 226 per Stephen J.

relationship" necessarily existed "between the deception of consumers in the course of trade and the injury caused by the unfair practices of a trade rival".⁴ In other words the majority justices recognised that, in the words of Murphy J., passing off was "a classical example of misleading or deceptive conduct" falling within section 52.⁵

Since the *Hornsby Building Information Centre* case not only has the High Court affirmed the right of traders to bring actions under section 52 which resemble passing off actions,⁶ but in *Philip Morris Inc. v. Adam P. Brown Male Fashions Pty Ltd*⁷ it also ruled that the Federal Court had jurisdiction to entertain passing off actions in association with actions under section 52, provided that both actions were based on a "common sub-stratum of facts".⁸ This so-called associated jurisdiction of the Federal Court has been held to allow it to entertain defamation actions⁹ as well as actions for injurious falsehood¹⁰ and breach of confidence.¹¹ In addition to the association of general law actions with actions under section 52, the Federal Court also hears infringement actions under the various industrial property statutes falling within its jurisdiction simultaneously with actions under section 52. It is not uncommon for litigants to bring a double-barrelled action in which they plead that conduct of a defendant is both an infringement of the industrial property rights conferred by the Copyright Act 1968 (Cth), Designs Act 1906 (Cth), Trade Marks Act 1955 (Cth) or Patents Act 1952 (Cth) and a breach of section 52.

II. POLICY CONFUSION?

The close procedural link between proceedings in the Federal Court under section 52 of the Trade Practices Act 1974 (Cth) and industrial property claims in the general law and under statute has resulted in a close convergence of the substantive law in both

4. *Ibid.*

5. Note 2 *supra*, 234.

6. *R v. Judges of the Federal Court of Australia; Ex parte Pilkington ACI (Operation) Pty Ltd* (1978) 23 A.L.R. 69.

7. (1981) 55 A.L.J.R. 120.

8. *Id.*, 139-40 *per* Mason J.

9. *Australian Ocean Line Pty Ltd v. West Australian Newspapers Ltd* (1983) A.T.P.R. 40-349.

10. *Hanimex Pty Ltd v. Kodak (Australasia) Pty Ltd* (1982) A.T.P.R. 40-287.

11. *Marlbro Shelving Systems Pty Ltd v. A.R.C. Engineering Pty Ltd* (1983) A.T.P.R. 40-355.

areas. In many of the decisions the consumer protection claim is analysed simultaneously with the industrial property claim, without any real differentiation of the separate policy bases of the two actions. Since section 52 was the first excursion by the Federal Parliament into the unfamiliar field of consumer protection and as the section was closely modelled on a loosely worded American provision,¹² it was understandable that all judges might search for precedents in analogous areas of law. The first Federal Court decision which took this approach was *Weitmann v. Katies Ltd*¹³ in which a trader claimed that the imitation by the defendant of the "Saint Germain" name, which the plaintiff used on his garments, would mislead consumers into associating the defendant's garments with the plaintiff. Franki J. commented:

whilst one should not be too ready to apply to a case such as this, which appears at first glance to be in the nature of a passing off action, the law relevant to such an action. I have come to the conclusion that in a general sense much of that law is particularly relevant with regard to determining whether certain conduct is misleading or deceptive or likely to mislead or deceive.¹⁴

In that case Franki J. borrowed the concepts of "descriptive name" and "secondary signification" from passing off law to bolster his conclusion that the defendant's use of the name "Saint Germain" did not deceive consumers. In the *Hornsby Building Information Centre* case¹⁵ Stephen J. had warned that,

In determining the meaning of 'misleading or deceptive' in sec 2(1) and applying it to particular circumstances the law which has developed around the tort of passing off, founded as that tort is upon the protection of the plaintiff's intangible property rights, may not always provide a safe guide.¹⁶

However, his Honour conceded,

... the long experience of the courts in that field should not be disregarded, some principles which have been developed appear equally applicable to sec. 52(1).¹⁷

Again, in that case the court denied relief to a plaintiff complaining about the imitation of what the court regarded as a descriptive name as it was not satisfied that the plaintiff had

12. Section 5 of the Federal Trade Commission Act 1914 (U.S.) provides:
(a)(1) unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful.

13. (1977) 29 F.L.R. 336.

14. *Id.*, 339.

15. Note 2 *supra*.

16. *Id.*, 227.

17. *Ibid.*

established the requisite secondary signification of associating the defendant company with the plaintiff.

The use of industrial property principles in the interpretation of section 52 is such that the courts are reluctant to grant relief under the section where an action would not be tenable under the industrial property law. In *Parkdale Custom Built Furniture Pty Ltd v. Puxu Pty Ltd*,¹⁸ the High Court's most recent analysis of section 52, relief was refused a manufacturer complaining about the imitation of the design of its furniture by a trade rival essentially because industrial property law does not protect unregistered designs. In Brennan J.'s view,

It would be surprising if s.52 of the Trade Practices Act were to alter the "careful balance" of the Patents Act 1952 and the Designs Act by a side-wind and, after four centuries, open the way to the creation of prescriptive monopolies for the manufacture of goods.¹⁹

Each of the majority judgments in this case appears to have been influenced by the fact that even passing off law provides no protection for the design of a product as opposed to the way it is got-up for sale.

The result of the section 52 cases is to effect a rough sort of justice in that traders spuriously representing the consumer interest have not been able to rely on the apparent breadth of section 52 in protecting private industrial property rights. On the other hand the wholesale importation of industrial property law principles to assist the interpretation of the section has produced a corpus of fairly technical law which may disadvantage genuine defenders of the consumer interest. For example, in the *Parkdale* case there was evidence that two purchasers had in fact been misled into confusing the defendant's furniture with the plaintiff's. The High Court followed the established industrial property principle that "in arriving at a decision the court must not surrender in favour of any witness its own independent judgment."²⁰ Consequently, it disregarded the evidence of deceived consumers by importing a fairly high standard of consumer intelligence. The Chief Justice declared that,

Although it is true... that ordinarily a class of consumers may include the inexperienced as well as the experienced, and the gullible as well as the astute, the section must, in my opinion, be regarded as contemplating the effect of the conduct on reasonable members of the class. The heavy

18. (1982) 42 A.L.R. 1.

19. *Id.*, 27.

20. *Parker-Knoll Ltd v. Parker Knoll International Ltd* [1962] R.P.C. 265, 279.

burdens which the section creates cannot have been intended to be imposed for the benefit of persons who fail to take reasonable care of their own interests.²¹

Thus the misled purchasers, according to the majority justices would not have been deceived had they looked for the manufacturer's identifying label or, in the event of the removal of the label, had asked for further particulars from the retailer. In insisting upon a reasonable standard of consumer prudence, the Court was able to deny relief under section 52 to a litigant who would not have been protected by industrial property law. However, it did considerable damage to the consumer protection policy of the statute as the court insisted on a much higher standard of consumer intelligence than had been usual. For example, in the leading case under the Consumer Protection Act 1969 (N.S.W.), *C.R.W. Pty Ltd v. Sneddon*,²² in deciding whether a newspaper advertisement was misleading Sheldon and Sheppard JJ. explained that

the advertiser must be assumed to know that the readers will include both the shrewd and the ingenuous, the educated and uneducated, and the experienced and inexperienced in commercial transactions. He is not entitled to assume that the reader will be able to supply for himself, or (often) herself, omitted facts or to resolve ambiguities. An advertisement may be misleading even though it fails to deceive more wary viewers.²³

This decision had been followed by judges at first instance in the Federal Court,²⁴ but following the High Court's decision in the *Parkdale* case, it would now seem impermissible to concede a lenient standard of intelligence to consumers.

A way in which the *Parkdale* case might have been distinguished was that it involved the sale of expensive items of furniture in respect of which intending purchasers would be expected to exercise a greater degree of care than for more trivial items. However the *Parkdale* test was applied by Toohey J. in the recent case *Gavioli Luigi & Figli S.N.C. v. G.J. Coles & Co. Pty Ltd*²⁵ which involved similarly got-up bottles of Lambrusco wine. His Honour did not consider that the "reasonable members of the class of consumers" likely to be exposed to the similar bottles would be deceived.²⁶

21. Note 18 *supra*, 6.

22. (1972) 72 A.R. (N.S.W.) 17.

23. *Id.*, 28.

24. *E.g. Parish v. World Series Cricket Pty Ltd* (1977) 16 A.L.R. 172, 179 *per* St John J.; *Puxu Pty Ltd v. Parkdale Custom Built Furniture Pty Ltd* (1979) 27 A.L.R. 387, 395 *per* Keely J.

25. (1983) A.T.P.R. 40-428.

26. *Id.*, 44,924.

The other side of the coin is the fact that section 52 cases, although ostensibly falling within the rubric of consumer protection law, have made some useful contributions to substantive industrial property law. This article examines that contribution and the reciprocal influence of industrial property law on judicial interpretations of section 52.

III. COPYRIGHT AND DESIGNS

The earliest section 52 case in which the possibility of copyright infringement was raised was *Dairy Vale Metro Co-operative Ltd v. Brownes Dairy Ltd.*²⁷ The plaintiff was the producer and distributor in South Australia of "Eve" yoghurt. On 1 April 1981 it entered into a franchise agreement with George Weston Foods Limited whereby the latter was granted an exclusive licence to sell yoghurt products under the "Eve" label in Western Australia. George Weston arranged the first public promotion and release of "Eve" yoghurt in Perth on 6 May 1981. Two days before this date the defendant released its "Temptation" yoghurt in Perth. Examining the containers in which the parties got-up their products and the television commercials which promoted them Toohey J. noted a "strong similarity" between the containers and "a very strong similarity indeed" between the commercials.²⁸ His Honour noted,

Of course the name of each product is different but images conjured up by "Eve" and "Temptation" are similar. In the context of containers in which the general get-up is much the same, especially in the way the fruit is depicted, there is an overall impression of likeness. The resemblances between the television advertisements are even more striking. The general presentation, the background music of heavy strings, the use of a naked woman and seductive tones of the announcer make the difference of minimal importance.²⁹

In addition to alleging that the defendant's imitation of the plaintiff's containers and advertisements was misleading or deceptive conduct in breach of section 52, the plaintiff submitted that the defendant had infringed its copyright in the artwork and design of the container and in the advertising material. Without deciding the question of whether the artwork and design of the containers and the advertising material were "truly original unpublished works", Toohey J. was not satisfied that the plaintiff was the owner of the relevant copyright. Additionally his Honour

27. (1981) A.T.P.R. 40-215.

28. *Id.*, 42,940.

29. *Id.*, 42,941.

thought that section 77(2) of the Copyright Act 1968 (Cth) might prevent an infringement being established in relation to the containers on the ground that they were "articles to which a 'corresponding design' has been applied but which design has not been registered under the Designs Act 1906 (Cth)."³⁰ In any event, Toohey J. was not prepared, following the application of passing off principles, to find that the conduct of the defendant had been misleading or deceptive within his interpretation of section 52.

A similar case, with identical results was *Dairy Industry Marketing Authority v. Southern Farmers Co-operative Ltd.*³¹ The plaintiff manufactured a flavoured milk product called "Good One Malt & Honey" which it got-up for sale in light brown and white packs. On their front and back the packs carried the words "Good One" and above them in a dark-brown circle the words "Malt & Honey" and "Wholesome Natural Goodness." The respondent produced a milk product called "Malt N Honey" which it got-up for sale in a white pack. The front and back of these packs bore a circle mid-brown in colour in which the words "Wholesome Natural Goodness" appeared. Beneath them around the base of the circle were the words "Malt and Honey Flavoured Milk Drink." Set into the circle was a scroll containing the words "Malt N Honey." Lockhart J. did not consider the packs to be similar and thus deceptive of consumers. For the same reason he considered there to be no breach of copyright and therefore did not have to decide the questions of whether the pack was an artistic work and whether the plaintiff was the copyright owner.

A section 52 case in which both deceptive conduct and breach of copyright was found was *Coonan & Denlay Pty Ltd v. Superstar Australia Pty Ltd.*³² Bowen C.J. found that the cricket helmet sold by the defendant breached the copyright in the plaintiff's registered design and that it was deceptively got-up in a package which displayed photographs of cricketers wearing the plaintiff's helmet. The defendant appealed against the Federal Court's exercise of jurisdiction in the copyright claim.³³ The appeal was dismissed by the Full Federal Court which, applying *Philip Morris Inc. v. Adam P. Brown Male Fashions Pty Ltd*,³⁴ found there to be "a common substratum of fact" between the

30. *Ibid.*

31. (1982) A.T.P.R. 40-274.

32. (1981) A.T.P.R. 40-231.

33. *Superstar Australia Pty Ltd v. Coonan & Denlay Pty Ltd* (1981) A.T.P.R. 40-253.

34. Note 7 *supra*.

copyright and section 52 claims.³⁵ Following the persistence of the defendant in offering helmets for sale in breach of the plaintiff's copyright, Sheppard J. found the defendant to be in contempt of court falling just short of contumelious contempt and fined the defendant \$10,000 ordering it to pay the plaintiff's costs on a solicitor and client basis.³⁶

Probably the most significant copyright case brought as an associated action under the Trade Practices Act 1974 (Cth) was *Fire Nymph Products Ltd v. Jalco Products (W.A.) Pty Ltd; Kent Heating Ltd v. Jalco Products (W.A.) Pty Ltd*³⁷ in which Toohey J. found a breach of copyright but no infringement of section 52. Fire Nymph claimed that the design of its Alpine metal fireplace had been copied by Jalco. Similarly, Kent claimed that the design of its heaters had been copied by Jalco. In relation to Fire Nymph's claim, Toohey J. found that although Jalco sought to reproduce the plaintiff's product as closely as possible and built upon ideas reflected in the Fire Nymph unit, the end product was not a substantial copy of the Fire Nymph. On the other hand His Honour found that Jalco had infringed Kent's copyright in relation to its fire units. In relation to the latter finding Jalco raised the non-expert defence under section 71 of the Copyright Act 1968 (Cth). This defence provides that the making of an object that is in three dimensions would not infringe the copyright of an object that is in two dimensions "if the object would not appear to persons who are not experts in relation to objects of that kind to be a reproduction of an artistic work." Toohey J. allowed the defence to apply to the Kent drawings which had been copied.³⁸ However, he did not consider the defence to be made out. Finally, the defendant sought unsuccessfully to rely on the defence in section 77 of the Copyright Act 1968 (Cth) which provides that where there has been an industrial application of a design to articles which are offered for sale or hire, that design loses the protection of the Designs Act 1906 (Cth). Toohey J. accepted the plaintiff's submission that, until an amendment of the Designs Act 1906 (Cth) came into force in April 1982, its design was not registrable under that Act, since section 77 of the Copyright Act 1968 (Cth) could not apply.

Relief was refused the plaintiff under section 52 of the Act

35. Note 33 *supra*, 43,271.

36. *Coonan & Denlay Pty Ltd v. Superstar Australia Pty Ltd* (1982) A.T.P.R. 40-292.

37. (1983) A.T.P.R. 40-353.

38. *Id.*, 44,267.

because his Honour was not satisfied that consumers would be misled or deceived by the conduct of the defendant. At most he considered that they might have "come to wonder" whether the competing products came from the same source.³⁹

The Federal Court's most recent consideration of a copyright matter under its associated jurisdiction was in *Apple Computer Inc v. Apple Computer Australia Pty Ltd*.⁴⁰ In that case copyright protection was claimed for a number of the plaintiff's computer programs. Beaumont J. simply ruled that a computer program was not an original "literary work" in which protection by copyright could subsist. His Honour took this view because as he saw it, the function of a computer program was merely to control the sequence of operations carried out by a computer and did not have any of the hallmarks of a literary work, namely the provision of information, instruction or pleasure. This decision differed from a number of British and American authorities⁴¹ but his Honour noted that at the time statutory protection was extended to cinematograph films and sound recordings, the legislature refrained from extending similar protection to computers or computer equipment. On appeal, however, the Full Federal Court was prepared to extend copyright protection to computer software, following the approach of the overseas authorities.⁴²

IV. TRADE MARKS

*HTX International Pty Ltd v. Semco Pty Ltd*⁴³ is the only case in which an alleged infringement of a registered trade mark was claimed to be a breach of section 52 of the Trade Practices Act 1974 (Cth) Fox J. noted a "direct link" between the section and section 28(b) of the Trade Marks Act 1955 (Cth) which requires the refusal of registration to a mark "the use of which would be contrary to law."⁴⁴ Additionally section 28(a) extends the refusal to marks "the use of which would be likely to deceive or cause confusion." The applicant in the case was the assignee of the registered trade mark "Vogart". This name was registered in

39. Following *Ogden Industries Pty Ltd v. Kis (Australia) Pty Ltd* [1982] 2 N.S.W.L.R. 283.

40. (1983) A.T.P.R. 40-422.

41. *Sega Enterprises Ltd v. Richards* [1983] F.S.R. 73; *Thrustcode Ltd v. W.W. Computing Ltd* [1983] F.S.R. 502; *Apple Computer Inc v. Franklin Computer Corp.* 714 F. 2d 1240; [1983] Comput. L. Rep. 335.

42. (1984) A.T.P.R. 40-453.

43. (1983) A.T.P.R. 40-396.

44. *Id.*, 44,634.

respect of paint applicators for textile printing and decorating. The respondent sold paint applicators in Australia for textile painting which it imported from Vogart Crafts Co. in the United States. The respondent's product bore the "Vogart" name together with the initials "T.M."

Fox J. ruled that as the respondent's product was, and clearly appeared to be, manufactured by a company in the United States bearing the name "Vogart" it was unlikely that anyone would be misled or deceived by the conduct of the respondent.⁴⁵ The respondent had used the name "Vogart" continuously from 1976 until May 1982. The applicant had only used the name extensively from November 1981. Consequently, the respondent argued that the applicant's use of the mark was misleading or deceptive within the meaning of section 52 and that the applicant's registration should be expunged because it contravened section 28 of the Trade Marks Act 1955 (Cth). In response to this cross-claim Fox J. ruled,

Conduct which causes confusion is not necessarily misleading or deceptive... it would seem to me not open to a person who brings about a misleading or deceptive situation by reason of his use of the registered trade mark of another to assert that the other is guilty of conduct which offends against the section... [at least] in the absence of fault on the part of the registered proprietor.⁴⁶

However, his Honour did concede the possibility that use of a mark by a registered proprietor could contravene the Trade Practices Act 1974 (Cth),⁴⁷ which suggests the need for an urgent legislative reconciliation of the two statutes.

V. PASSING OFF

The overwhelming majority of associated actions under section 52 of the Trade Practices Act 1974 (Cth) have involved passing off. The result of this is that the two actions have been rendered indistinguishable, although the Federal Court's interpretation of passing off principles has tended to be more conservative than that of the State Supreme Courts.⁴⁸ This conservatism is clearest in the Federal Court's insistence that there be substantial trading within a State before there can be either protection from passing off or a successful allegation of misleading or deceptive conduct in

45. *Ibid.*

46. *Id.*, 44,638.

47. *Id.*, 44,639.

48. See also M. Blakeney, "Old Wine in New Bottles: The Influence of the Common Law in the Interpretation of Section 52 of the Trade Practices Act", (1984) 58 *Austl. L.J.* (in print).

breach of section 52. Early indications of this attitude were the single judge decisions of the Federal Court in the *Yoghurt* case⁴⁹ and the *Flavoured Milk* case⁵⁰ which refused protection to applicants who had not made sales within the relevant States. The culmination of this approach was the Full Federal Court decision in *Taco Company of Australia Inc v. Taco Bell Pty Ltd*⁵¹ which refused a defence to passing off and section 52 actions to the appellant operator of an extensive chain of restaurants in Mexico and North America because it had not traded in New South Wales. On the other hand, the Supreme Court of New South Wales has allowed the protection of a name within a few hours of the announcement of its intended use⁵², and the Supreme Court of South Australia has refused protection to a name in South Australia which had been extensively used in the eastern states.⁵³ The Federal Court has followed the fairly strict approach which commenced in England with the *Crazy Horse* case.⁵⁴ In that case the owners of the Parisian "Crazy Horse Saloon" were unable to protect the name from imitation in London because it had no office in that city and did not take bookings there. The State Supreme Courts have followed the more liberal approach of Graham J. in *Maxims Ltd v. Dye*⁵⁵ in which the proprietor of the Parisian restaurant "Maxims" was able to prevent its use by another company in Norwich, a small town in East Anglia. On balance it appears that the High Court inclines towards the more liberal interpretation of the trading requirement as there are dicta in a couple of cases which suggest that mere advertising within the jurisdiction is sufficient use to establish a protectable reputation.⁵⁶

Another illustration of the way in which passing off principles have infected the Federal Court's interpretation of section 52 is its insistence that relief only be granted to applicants who trade in a common field of business activity with the defendant. The

49. *Dairy Vale Metro Co-operative Ltd v. Brownes Dairy Ltd*, note 27 *supra*.

50. *Dairy Industry Marketing Authority v. Southern Farmers Co-operative Ltd*, note 31 *supra*.

51. (1982) 42 A.L.R. 177.

52. *Fletcher Challenge Ltd v. Fletcher Challenge Pty Ltd* [1981] 1 N.S.W.L.R. 196.

53. *South Australian Telecasters Ltd v. Southern Television Corporation Limited* [1970] S.A.S.R. 207.

54. *Main Bernardir et Cie v. Pavilion Properties Ltd* [1967] R.P.C. 521.

55. [1977] 1 W.L.R. 1155.

56. *Turner v. Gerard Motors (Australia) Pty Ltd* (1929) 42 C.L.R. 352; *B.N. Auto Sales Pty Ltd v. Budget Rent A Car System Pty Ltd* (1977) 51 A.L.J.R. 254.

common field of activity test was first enunciated by Wynn-Parry J. in the *Uncle Mac* case⁵⁷ where relief was denied a radio personality in an action against a breakfast cereal producer which had appropriated his name for one of its products. This test was extensively criticized by the Full Court of the Supreme Court of New South Wales in *Henderson v. Radio Corporation Pty Ltd*,⁵⁸ as distorting the true examination which should be whether the appropriation of another's name was likely to cause confusion. After a series of decisions applying the common field of activity test⁵⁹ the English courts have now adopted the *Henderson* approach.⁶⁰ However the Federal Court has continued to apply the outmoded test. In *Cue Design Pty Ltd v. Playboy Enterprises Pty Ltd*⁶¹ Fisher J. declined relief to a retailer of female apparel who complained of the use of its name by a restaurant because of the absence of competition between the parties' businesses. On the other hand, in *Visa International Service Association v. Beiser Corporation Pty Ltd*⁶² the applicant owner of the "Visa" credit card was able to prevent the respondent travel agency from using the name "World Visa Travel Service" because Beaumont J. was prepared to concede that there were "at least overlapping business activities."⁶³ An indication of the extent to which the Federal Court has diverged from the current English position on the subject is its refusal to allow a toy company to restrain an irrigation equipment company from using the name "Lego" for its products.⁶⁴ In litigation between the same parties in England, Falconer J. granted an injunction to the toy company, recognising the extent to which the common field of activity test had been eroded since its original formation.⁶⁵

Another aspect of the English *Lego* case which illustrates the extent to which the Federal Court's interpretation of passing off law diverges from that of the Chancery Division was the

57. *McCulloch v. Lewis A. May (Produce Distributors) Ltd* (1948) 65 R.P.C. 58.
58. (1960) 60 S.R. (N.S.W.) 576.

59. *Lyons Maid Ltd v. Trebor Ltd* [1967] R.P.C. 222; *Wombles v. Wombles Strips Ltd* [1977] R.P.C. 99; *Lyngstad v. Anabas Products Ltd* [1977] F.S.R. 62; *Taverner Rutledge Ltd v. Trexopalm Ltd* [1977] R.P.C. 275.

60. *News Group Newspapers Ltd v. The Rocket Record Company Ltd* [1981] F.S.R. 69; *Lego System Aktieselskab v. Lego M. Lemelstrich Ltd* [1983] F.S.R. 155.

61. (1982) 45 A.L.R. 535.

62. (1983) A.T.P.R. 40-373.

63. *Id.*, 44,439.

64. *Lego Australia Pty Ltd v. Pauls (Merchants) Pty Ltd* (1982) A.T.P.R. 40-308.

65. *Lego System Aktieselskab v. Lego M. Lemelstrich Ltd*, note 60 *supra*.

preparedness of Falconer J. to accept market survey evidence of the extent to which consumers were confused by the same name for the parties' different products. The reluctance of the Federal Court to accept such evidence is illustrated by the refusal of Franki J. to admit a survey conducted by a market research consultant in *McDonald's System of Australia Ltd v. McWilliams Wines Pty Ltd*⁶⁶. Although not totally hostile to survey evidence of consumer confusion ever being admitted in section 52 litigation,⁶⁷ Franki J.'s approach reflected the resolve of passing off courts that "in arriving at a decision [they] must not surrender in favour of any witness its own independent judgment."⁶⁸ This attitude may be defensible in passing off litigation but in actions under section 52 it would appear to be less excusable to ignore evidence of consumer deception.

A final instance of the way in which section 52 has been influenced by passing off principles is the reluctance of courts interpreting the section to allow it to prevent the simulation of the design of a product or the way in which it is packaged or otherwise got-up for sale. Passing off courts are totally hostile to the protection of the design of an article or the design of parts which are considered functional or useful.⁶⁹ The reason for this is that to hold otherwise would render the Designs Act 1906 (Cth) nugatory. The classic instance of this attitude in a passing off case is, of course, the High Court's decision in *Parkdale Custom Built Furniture Pty Ltd v. Puxu Pty Ltd*⁷⁰ which refused to prevent a furniture manufacturer from imitating the unregistered design of a trade rival. This reasoning also persuaded Franki J. in *Starcross Pty Ltd v. Liquidchlor Pty Ltd*⁷¹ to decline to allow the applicant to prevent the respondents from imitating the design of the applicant's automatic dosing apparatus for swimming pools. In *Malbro Engineering Systems Pty Ltd v. A.R.C. Engineering Pty Ltd*⁷², Lockhart J. explained that a manufacturer was free to copy the product of another "even if that product has been successful and for the purpose of taking advantage of an expanding market for products of that kind without infringing section 52".⁷³

66. (1979) 2 A.T.P.R. 40-108.

67. *Id.*, 18,484.

68. *Parker-Knoll Ltd v. Parker Knoll International Ltd*, note 20 *supra*.

69. See J.M. Evans, "Passing Off and the Problem of Product Simulation" (1968) 31 *Mod L. Rev.* 642.

70. Note 18 *supra*.

71. (1982) A.T.P.R. 40-270.

72. (1983) A.T.P.R. 40-355.

73. *Id.*, 44,292.

The distinction between the design of a product and the way it is got-up for sale is often difficult to make. However, even if it can be made it is only with reluctance that the courts will protect get-up from imitation. This reluctance is revealed by the courts' willingness to allow labelling or slight differences in packaging to differentiate otherwise similar products. A recent instance of this in a purely passing off context is the Privy Council decision in *Cadbury Schweppes Pty Ltd v. Pub Squash Co Pty Ltd*.⁷⁴ In that case the Privy Council sustained Powell J.'s finding that, notwithstanding the respondent's imitation of the "distinctive greenish yellow" colour of the appellant's drink can with a similar medallion-type label and evidence of consumers and traders confusing the parties' products, the different names of the respective products reproduced on labels were sufficient to exonerate the respondent from passing off. This decision was followed by Lockhart J. in *Stuart Alexander & Co (Interstate) Pty Ltd v. Blenders Pty Ltd*⁷⁵ in which His Honour declined to find a contravention of section 52 by a manufacturer of coffee which got its product up in the same apothecary jar used by the applicant, utilizing a similar colour scheme, despite evidence of consumer deception. Lockhart J. adopted the same approach in the *Flavoured Milk* case⁷⁶ despite the "confusingly similar" get-up of the parties' milk cartons. The reluctance of passing off courts to grant relief in respect of the imitation of get-up also explains, in part, Toohey J.'s decision in the *Yoghurt* case⁷⁷ despite the "overall impression of likeness" between the parties' products.⁷⁸ Finally, in Toohey J.'s recent decision in *Gavioli Luigi & Figli S.N.C. v. G.J. Coles & Co. Pty Ltd*⁷⁹ the "undoubted similarities" between two bottles of Lambrusco wine, which had a similar colour, shape and labelling which His Honour considered to be "very marked particularly when they stand on shelves in liquor stores"⁸⁰ was not considered sufficient to constitute passing off or misleading or deceptive conduct under section 52.

The imitation of get-up has formed the basis of two separate findings of misleading or deceptive conduct under section 52 but in both cases the similar get-up was merely one of a number of

74. [1980] 2 N.S.W.L.R. 851.

75. (1981) 37 A.L.R. 171.

76. Note 31 *supra*.

77. Note 27 *supra*.

78. *Id.*, 42,940.

79. Note 25 *supra*.

80. *Id.*, 44,919-920.

factors which persuaded the courts. In *Bradmill Industries Ltd v. B. & S. Products Pty Ltd*⁸¹ Lockhart J. observed that not only was the get-up of the parties' napery substantially similar but the respondent's business name "Bartmill" was sufficiently similar to the applicant's name "Bradmill" for his Honour to conclude that members of the public seeing the respondent's product would assume that they came from the same source as that of the applicant. Lockhart J. observed that "[it] is not a case of permissible brand names in a deceptive get-up, rather it is a case of deceptive names used in connection with a deceptive get-up".⁸² In *Rolls Royce Motors Ltd v. D.I.A. (Engineering) Pty Ltd*,⁸³ Lockhart J. found both a contravention of section 52 and passing off by a respondent, which imitated the configuration of the distinctive radiator grille carried by the applicant's cars. Other important factors were the similarity of the name of the respondent's "Phaeton" car with the applicant's "Phantom" model and the similarity of badges and trade marks used on competing vehicles.

Despite these latter decisions the overall development of section 52 law is to render it virtually indistinguishable from passing off law. Mention has already been made of the inappropriateness of principles derived from an industrial property context in animating a consumer protection statute.

VI. CONFIDENTIAL INFORMATION

The only case in which a claim for breach of confidence was associated with an action under section 52 was Lockhart J.'s decision in *Marlbro Shelving Systems Pty Ltd v. A.R.C. Engineering Pty Ltd*.⁸⁴ The parties in that case were both manufacturers of shelving systems. The respondent had proposed an acquisition of the share capital of the applicant, pursuant to which it had obtained documents containing financial information about the applicant and its products. After the breakdown of the take-over negotiations the respondent had produced a shelving system identical in design to that of the applicant which was advertised in a brochure containing a photograph of the applicant's shelving system. Lockhart J. granted an injunction restraining the circulation of this brochure which His Honour

81. (1980) A.T.P.R. 40-196.

82. *Id.*, 42,618.

83. (1981) A.T.P.R. 40-209.

84. Note 72 *supra*.

ruled was in breach of section 52. However, Lockhart J. was not prepared to order the return of the documents containing the financial information about the applicant. Applying *Coco v. A.N. Clark (Engineers) Ltd*⁸⁵ Lockhart J. did not consider that there had been an unauthorised use of the information contained in the documents.

In the *Shelving Case* the section 52 and confidential information actions were entirely separate, in that the former concerned the imitation of another's product, whereas the latter concerned the retention of documents. Where the breach of confidence is pleaded also as a contravention of section 52 there are good policy reasons why different results may occur in the respective actions. As was pointed out by Sheppard J. in *Allied Mills Pty Ltd v. Trade Practices Commission*⁸⁶ the public interest in the disclosure of iniquity, such as a breach of the Trade Practices Act 1974 (Cth) would always outweigh the public interest in the preservation of confidential information. However, in *Castrol Australia Pty Ltd v. EM Tech Associates Pty Ltd*⁸⁷ Rath J. refused to order the divulging of confidential information which formed the basis of test claims made in an advertising campaign, on the mere suspicion of breach of section 52.

VII. CONCLUSION

The association of industrial and intellectual property actions under section 52 of the Trade Practices Act 1974 (Cth) for purely procedural reasons has tended to result in a fusion of the substantive law. In *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd*⁸⁸ Lord Diplock declared that the law of passing off should be modified to reflect "the increasing recognition by Parliament of the need for more rigorous standards of commercial honesty".⁸⁹ Thus his Lordship was prepared to subject the industrial property law to overriding consumer protection considerations. In Australia, on the other hand, the consumer protection law has been modified to accord with pre-existing industrial property law principles. Consequently, it is difficult to see how the consumer protection objectives of the statute will be met without a change in judicial attitude.

85. [1969] R.P.C. 41, 47 *per* Megarry J.

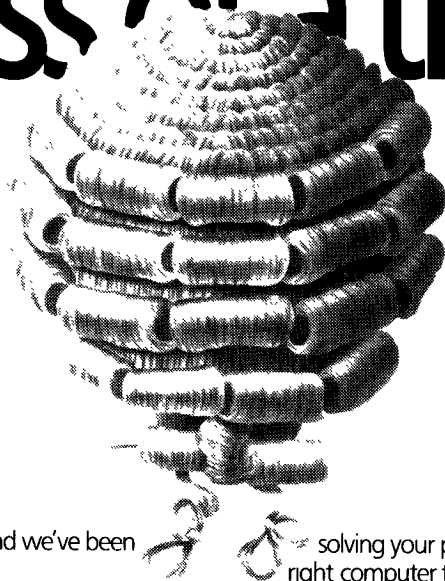
86. (1981) 34 A.L.R. 105.

87. (1981) 33 A.L.R. 31.

88 [1979] A.C. 731.

89. *Id.*, 743.

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