



## Transcript of Proceedings

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Date: 3 June, 2003

SUPREME COURT OF QUEENSLAND

CIVIL JURISDICTION

PHILIPPIDES J

No S4135 of 2003

YAMBA WELDING & ENGINEERING PTY LTD  
(ACN 003 526 841)

Plaintiff

and

NOBLE ENGINEERING PTY LTD  
(ACN 010 768 742)

First Defendant

and

BEN NOBLE

Second Defendant

and

JAN NOBLE

Third Defendant

BRISBANE

..DATE 22/05/2003

JUDGMENT

**WARNING:** The publication of information or details likely to lead to the identification of persons in some proceedings is a criminal offence. This is so particularly in relation to the identification of children who are involved in criminal proceedings or proceedings for their protection under the *Child Protection Act 1999*, and complainants in criminal sexual offences, but is not limited to those categories. You may wish to seek legal advice before giving others access to the details of any person named in these proceedings.

HER HONOUR: In this matter, I deliver my reasons for judgment.

This is an application brought on behalf of the plaintiff, seeking an order that the defendants be restrained until further order, from using the brand name and/or stylised mark or symbol, "Noble Sport Fish" or any other name containing the words, "Sport Fish".

The relevant background facts are as follows. In 2002, Deep Vee Proprietary Limited (Administrator Appointed), traded as Pacific Boats and Queensland Ships. It and its predecessor, W & M Enterprises (Qld) Proprietary Limited, had developed and marketed, a range of boats under the brand name, "Pacific Sport Fish".

In particular, the brand had been developed under a stylised mark or symbol of "Pacific Sport Fish". A copy of that stylised mark or symbol is Annexure A to the statement of claim. Deep Vee went into administration and the administrators sought a purchaser for its assets, by way of invitation to tender.

The plaintiff tendered for the assets being sold. The first defendant, Noble Engineering Proprietary Limited, also tendered for the assets of Deep Vee. The Noble tender, which was signed by the third defendant, Jan Noble, included an offer for the business names, "Sportfish Aluminium Boats", "Pacific Custom Craft" and "Pacific Boats", and expressed that

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the offer was conditional upon Deep Vee signing over all rights to any plans associated with those business names. However, the administrators were not in a position to offer those plans and it appears that Noble did not thereupon pursue the tender.

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After some negotiation, the plaintiff was successful in tendering for the assets of Deep Vee, for some \$20,000. The successful offer was to purchase: (a) all the intellectual property of the company, including business names of "Deep Vee", "Ocean Cylinder Boats", "Queensland Ships", "Sportfish Aluminium Boats", "Pacific Sport Fish", "Pacific Custom Craft", "Pacific Boats" and all associated promotion or materials; (b) the list of all prospective customers, inquiries and forward orders - see the Web page and associated intellectual property rights or authorities to control change and alter any content therein; (c) phone and facsimile numbers.

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The plaintiff entered into a deed of transfer of property, dated 12 December 2002, with Deep Vee. Pursuant to clause 2.1 of that deed, the plaintiff purchased, "The property and all intellectual property, arising directly from the property." The "Property" thus transferred to the plaintiff, included the business names "Sportfish Aluminium Boats", "Pacific Sport Fish" and "Deep Vee".

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The plaintiff became aware that since at least February of 2003, the first defendant had been advertising its product

under the brand name, "Noble Sport Fish", with a stylised mark or symbol of that name, which is said to be relevantly identical to the stylised mark or symbol the plaintiff acquired in "Pacific Sport Fish". A copy of that stylised mark or symbol for "Noble Sport Fish", is Annexure B to the statement of claim.

The Sanctuary Cove International Boat Show opens today, Thursday, 22 May 2003 and runs until Sunday, 25 May 2003. There is evidence that it is the premiere boat show for the Asia-Pacific region, generating a large volume of sales for those displaying boats at the show, which for relevant purposes, include both the plaintiff and the first defendant.

On 13 May 2003, the plaintiff filed an application, seeking injunctive relief, restraining the first defendant and Ben Noble and Jan Noble, the second and third defendants, from using the brand name and/or stylised mark or symbol, "Noble Sport Fish" and any other name containing the words "Sport Fish".

The statement of claim, filed on 12 May 2003, alleges that prior to the deed of 12 December 2002 being entered into, Deep Vee was the owner of the business names, "Sportfish Aluminium Boats" and "Pacific Sport Fish", and all intellectual property rights in relation to those business names, including the brand name, "Pacific Sport Fish" and the copyright and the stylised mark or symbol, "Pacific Sport Fish". It is alleged that pursuant to that deed, Deep Vee transferred to the

1 plaintiff, all of its right, title and interest in the 1  
business names, brand names, copyright and goodwill.

Serious questions to be tried

10 The plaintiff asserts causes of action for (a) breach of 10  
copyright in its stylised mark or symbol, "Pacific Sport  
Fish", pursuant to Section 115 of the Copyright Act; (b)  
passing off in relation to the brand name, "Pacific Sport  
Fish"; (c) contravention of Sections 52 and 53 of the Trade  
20 Practices Act, in relation to the use of the stylised mark or  
symbol and the brand name, "Noble Sport Fish". 20

Breach of Copyright

30 The plaintiff's case is that it is the owner of the stylised 30  
mark or symbol "Pacific Sport Fish", having acquired Deep  
Vee's copyright, pursuant to the deed. Affidavit evidence,  
filed on behalf of the plaintiff, is to the effect that the  
brand name "Pacific Sport Fish", was well regarded and the  
stylised mark or symbol had been well promoted in the  
40 industry. 40

50 There is in, the affidavit material, a good deal of 50  
advertising relevant to the period prior to December 2002 to  
support that evidence. Noble was able to register the  
business name, "Noble Sport Fish", notwithstanding its  
closeness to the already registered business names  
transferred, pursuant to the deed, to the plaintiff. The  
plaintiff alleges that this was achieved by representing to  
the Office of Fair Trading, that the nature of its business,

that is the first defendant's business, was the manufacture of pontoons, air docks, floating walkways and trailers. The application form did include in parenthesis, a reference to boats under 50 foot; however, there was no express indication that the nature of the business was to be the manufacture of boats. The plaintiff submits that its allegation in relation to the misrepresentation to the Office of Fair Trading, is borne out by the fact that the nature of the business, recorded in the business name extract of "Noble Sport Fish", is that of manufacture of boats. The existence of advertisements by W & M and then Deep Vee, over an extended period, utilising the stylised mark or symbol, is said by the plaintiff, to be strong evidence that Deep Vee, at the time of the entry into the deed of December 2002 was the owner of the copyright and the logo.

On behalf of the respondents, a number of matters are raised. Primarily, they fall into two categories. One concerns the issue of the non stamping of the deed and the other, concerns the issue of ownership of the relevant logo.

In relation to the question of the failure to have the deed stamped, it is said that that leads to the conclusion that the deed should not be accepted into evidence and that, in any event, it cannot form the basis of a cause of action until it is stamped.

Reference is made to decisions of Hoggett v O'Rourke and Caxton Street Agencies Proprietary Limited v Korkidas. It is

1 said that absent the stamped deed, the cause of action does 1  
not accrue. It appears that the deed has been lodged for  
stamping, although it has not yet been stamped.

10 In addition, the respondents dispute that Deep Vee was able to 10  
transfer ownership of the relevant logo. They submitted that  
Deep Vee could only have been the owner of the copyright if it  
had been authorised by an employee, in the course of that  
person's employment and for the purposes of that employment,  
20 or if Deep Vee had taken an assignment in writing from the 20  
author of the logo (see Sections 35 and 196 of the Copyright  
Act).

30 In this regard, the respondents rely on affidavit evidence of 30  
Robert Darlington, the author of the logo, that he authored it  
in the course of his employment with Devonminster Proprietary  
Limited. That entity has since been de-registered. There is  
no evidence of any assignment from that entity.

40 On the other hand, the plaintiff points to affidavit material 40  
by Mr Gamble and Ms Cap which, it is said, points to the  
plaintiff having acquired the relevant copyright through Deep  
Vee.

50 The plaintiff submitted that, at most, the respondents have 50  
demonstrated that there is a triable issue in relation to who  
is the owner of the copyright and that the tenor of the  
affidavit material relied upon by the respondents, indicates  
that the assignment may be an ineffective one, in any event.

In this regard, the plaintiff submitted that the deed of assignment, which is in evidence between Darlington and the first defendant, should be viewed with caution. It is undated and the affidavit of Mr Darlington is silent as to when and how that deed came into existence.

It is also pointed out that when the respondents' solicitors wrote to Mr and Mrs Collingburn, representatives of the plaintiff, on 24 March 2003, asserting amongst other things, that the first defendant was the owner of the copyright in the art work of the "Sport Fish" logo, no reference was made to the existence of the deed between Darlington and the first defendant. Nor, for that matter, did Darlington mention that he had assigned copyright to the first defendant, when he spoke to the plaintiff's solicitors in April.

I reject the respondents' submissions, that there is no serious issue to be tried regarding the alleged infringement of copyright. I consider that the material is sufficient to demonstrate a triable issue for the purposes of an interlocutory injunction.

Passing Off and Section 52 and 53 of the Trade Practices Act

For the purposes of an interlocutory injunction in relation to passing off, it is sufficient to demonstrate a serious question to be tried in relation to:

- (a) reputation;
- (b) misrepresentation; and
- (c) damage.



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There are considerable authorities to support that proposition.

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The plaintiff submitted that the combined reading of Clause 2.1 of the deed, together with the definitions of property and intellectual property, indicate that there was sold to it all the intellectual property, being business names, company name, customer lists, a Web page and some telephone numbers. It points to the fact that the deed specifies that, "Intellectual property means all and any intellectual property rights (including all rights of action connected thereto) and all rights to use any intellectual property rights, arising directly from the property, including all or any rights to any...trade names, business names...or other marks or symbols relating to the property."  
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The plaintiff submitted that such intellectual property, on the proper interpretation of the deed, included the goodwill in relation to the business names and the brand names associated with the business names. It was said that the plaintiff, having purchased this property from Deep Vee, set about developing and investing in it.  
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It was submitted that there is a triable issue in relation to the reputation of the brand name, "Pacific Sport Fish", that reputation being a combination of the reputation the plaintiff purchased from Deep Vee, via the deed and how it has built up that reputation since December 2002.

In that regard, as I have mentioned, there is a significant volume of material pointing to advertising material prior to December 2002. It is also said that the advertising and inquiries demonstrate the existence of such a reputation and the fact that the first defendant also tendered for the reputation in "Pacific Sport Fish", reinforces the existence of such reputation.

As to misrepresentation, it is said that simply exchanging "Noble" for "Pacific" within the stylised logo, is not sufficient differentiation and is capable of constituting passing off. It is said that the fact that the evidence discloses that numerous prospective purchasers have been confused, is sufficient to make out a serious question to be tried on the issue of whether there has been misleading conduct.

It is submitted that the manner in which the first defendant set about getting the business name, "Noble Sport Fish", registered is also of relevance here. It was submitted that there was no suggestion that the business name, "Noble Sport Fish", was obtained to do anything other than build boats, but that the application gave the impression that in fact the business would be involved in the manufacturing of pontoons, floating walk ways and the like. It is submitted that but for that assertion, which is said to have been a deliberate misrepresentation, the Office of Fair Trading would never have registered "Noble Sport Fish", because of the existence of "Pacific Sport Fish". There is evidence to support the

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proposition that had the Office of Fair Trading understood  
that the nature of the business was in fact that of boat  
building, that the name would not have been accepted for  
registration, because of the existence of either "Pacific  
Sport Fish", or "Sportfish Aluminium Boats".

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The respondents' dispute that there was a transfer of goodwill  
pursuant to the deed, it was submitted that while there was a  
transfer of the business name, "Pacific Sport Fish", there was  
no assignment of the goodwill. It was submitted that the  
plaintiff has no right to bring a passing off action, except  
to the extent that it can establish that it has independently  
built up a reputation in relation to that name. Accordingly,  
it was submitted that there was no serious question to be  
tried in respect of any reputation residing in the plaintiff,  
prior to its developing its own independent reputation in the  
name "Pacific Sport Fish", from at the earliest, 12 December  
2002.

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It was thus contended that the conflict was in reality between  
two different names, namely "Pacific Sport Fish" and "Noble  
Sport Fish", which have been established over a similar period  
of time, that is since December 2002. It is therefore said  
that what has occurred since December 2002, is the side by  
side development of different reputations, where competing  
advertisements have been placed in the same magazine as, for  
example, evidenced by the May/June edition, 2003, of Trailer  
Boat Fishermen.

In addition, the respondents argue that any confusion really results from the use of the general descriptive name, "Sport Fish", rather than any passing off or misleading or deceptive conduct on the part of the respondents. In this respect, reference is made to Dodd's Family Investments Proprietary Limited v Lane Industries Proprietary Limited. It is said in support of this proposition, relying on the case of Better Foods v Better Fruit Buying, that whenever descriptive words are used in a name or mark, significant evidence will be required to establish reputation.

I consider that, on the material presently before me, the applicant has raised a sufficient case to show that there is a serious question to be tried in relation to the question of passing off.

It follows, given that the issues in relation to passing off and contravention of sections 52 and 53 largely overlap, there is also a serious question to be tried in relation to the contravention of those provisions of the Trade Practices Act.

Balance of Convenience:

The question then arises as to whether it is appropriate to grant the injunction sought, or whether the applicant should be left to its remedy in damages if it is ultimately successful. On behalf of the applicant, it is submitted that this is a case which will necessarily involve some detriment

1 to one side or the other, depending on whether or not the  
1 injunction is granted. That is clearly so.

10 However, the applicant submits that the balance of convenience  
10 is strongly in its favour. It, of course, offers the usual  
undertakings as to damages. Counsel for the applicant  
submitted that an undertaking by the respondents as to damages  
would not provide adequate protection in respect of its claim  
for damage to goodwill.

20 The applicant submits that the evidence of confusion already  
20 created and of damage to the existing good name of "Pacific  
Sport Fish" which will be greatly exacerbated if the first  
defendant is allowed to present its boats under the name,  
30 "Noble Sportsfish", at the Sanctuary Cove Boat Show. It is  
submitted that the established brand name is that of "Pacific  
Sport Fish" and that the goodwill of that name is being  
severely undermined by the conduct of the first defendant. In  
those circumstances, it is said that the balance of  
40 convenience favours preserving the goodwill of "Pacific Sport  
Fish" and inhibiting the development of goodwill in "Noble  
Sport Fish" until trial.

50 The respondents emphasise the weakness in the applicant's  
claim concerning damage to goodwill in relation to reputation  
prior to December 2002, based on the argument that the  
applicant did not acquire any goodwill pursuant to the deed of  
December 2002, in respect of the period prior to December  
2002.

The respondents' submissions are that the balance of convenience favours a continuation of the current position where both parties operate in the market. That position has been in place for a few months; it would seem from at least February 2003. The defendants also point to the delay on the part of the applicant in bringing this application, given that the plaintiff was aware, since at least February 2003, of the plaintiff's conduct in advertising "Noble Sport Fish" vessels.

The relevant chronology shows that on 24 March 2003, the solicitors acting for the respondents wrote to the plaintiff asserting that the defendants were the owners of copyright in the "Sports Fish" logo and asserting that the plaintiff had infringed the defendant's copyright.

On 1 April 2003, the applicant's solicitors responded indicating that they had taken instructions previously, although not stating when, from the applicant in relation to contemplated action against the respondents for passing off in respect of the "Sports Fish" logo and "Sport Fish". In that letter, they indicated that the basis of the claim was that the applicant had purchased the names of "Sportfish Aluminium Boats" and "Pacific Sport Fish" from Deep Vee. It was alleged in that letter that the respondents' use of the "Sport Fish" logo was an infringement of the applicant's copyright, and that the respondents' use of the "Sport Fish" name in connection with the manufacturing, promotion and sale of aluminium boats constituted a passing off, misleading or deceptive conduct in breach of section 52 of the Trade

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Practices Act, and was also a contravention of section 53 of the Trade Practices Act. Undertakings were sought from the respondents and it was indicated that the failure to provide such undertakings would result in the plaintiff taking further action to protect their rights without further notice. Specific reference was made in this regard to injunctive relief.

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There followed correspondence on 2 April 2003 from the defendants' solicitors. Essentially, that correspondence included a request that the applicant provide certain information and details in relation to the claims made by it.

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On 4 April 2003, the applicant's solicitors provided the information sought and enclosed a copy of the relevant deed dated 12 December 2002.

There is also, at this stage, a background of objections being made to the Registration of Trademarks by the respondents.

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On 8 May 2003, a private investigator was engaged by the applicant to make inquiries and seek evidence to support its claim, and on 12 May 2003, the applicant's solicitors advised the respondents' solicitors of instructions to institute proceedings against them.

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A statement of claim was filed on 12 May and the application was filed on 13 May 2003.

The delay between mid-April and mid-May in bringing the application is not entirely satisfactorily explained. However, the respondents were on notice, since 1 April 2003, that infringement proceedings were on the cards. In any event, the delay was of a relatively short period and in itself, whilst a relevant factor, is not determinative of the question of balance of convenience.

Having said that, it is clear that the defendants have incurred expenses in proceeding to organise themselves so as to display at the boat show. Nevertheless, they did so against a background of correspondence indicating that litigation was not to be ruled out.

It was conceded by the applicant that if the only loss that was likely to be suffered by it was a loss of sales, that that loss would be relatively easily quantifiable, particularly if the respondents were to be ordered to keep an account of its sales, and that in those circumstances injunctive relief would not be appropriate (see Boots Co v. Approved Prescription).

However, the applicant contends that there is a real risk it will suffer damage to its goodwill acquired under the deed or at least from December 2002. There are many authorities which reiterate the proposition that such damage is notoriously difficult to quantify and is not easily compensatable by an award of damages because of the difficulty in quantifying loss of goodwill and the fact that once lost, goodwill is difficult



to regain (see Earth Tech and United Pacific v. Madison Sports).

I am satisfied that there is a real risk that the applicant will suffer loss of good will, as alleged, if injunction is refused. Moreover, such loss would be greatly compounded by the fact of the timing of the Sanctuary Cove Boat Show, which on the undisputed evidence is a particularly critical exhibition in the boating industry.

Having said that, it is also relevant to take into account that both parties have in fact been operating in the market for some time. However, that has been of relatively short duration and has not taken place during a critical period, where for example a major international boat show is taking place and the consequent enhanced opportunities for sale of vessels have been present.

On the other hand, the loss to the respondents in not being able to sell their vessels, of which, as I understand it, there are presently four vessels remaining unsold, is perhaps more readily quantifiable. While considerable funds have been expended by both parties to date in the development of their products, only a small portion of the respondents' expenses relate to the use of and development of the name and logo, "Noble Sport Fish".

The respondents point to advertisements placed for its vessels using the "Noble Sport Fish" name in magazines having

circulation in May/June and argue that injunction would in those circumstances be futile. However that must be balanced against the fact that if an injunction is refused and promotional documentation concerning "Noble Sport Fish" is permitted to be distributed and the use of the name is permitted to be made at the Sanctuary Cove Boat Show, that may have a much longer currency involving potential sales over a greater period.

In those circumstances, I am satisfied that notwithstanding that there may have been some element of delay in seeking the injunctive relief, that the plaintiff has shown that the balance of convenience lies in favour of granting the injunction until trial or other order. The defendant can, of course, in the interim sell the remaining four vessels, provided it does not do so using the name "Noble Sport Fish". I shall hear submissions as to the terms of the order.

MR DUNNING: Your Honour, I didn't understand there to be any difficulty with the form of the order sought in the application. It's the - what is in my submission, the customary form of words that, "by themselves or servants or agents."

HER HONOUR: Well I propose something along the lines of the following: Upon the plaintiff, by its counsel giving the usual undertaking as to damages, it is ordered that until the determination of this action, or earlier order, the defendants by themselves, their agents or servants be restrained from using the brand name and/or stylised mark or symbol "Noble

Sport Fish" or any other name containing the words "Sport  
Fish".

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