

SUPREME COURT OF QUEENSLAND

CITATION: *StatusCard Australia Pty Ltd v Rotondo & Anor* [2008] QSC 181

PARTIES: **STATUSCARD AUSTRALIA PTY LTD**
(plaintiff)
v
TONY ROTONDO
(first defendant)
and
DOMINIC DIBIANI (AKA DEREK DI SILVA)
(second defendant)

FILE NO: BS 792 of 2004

DIVISION: Trial Division

PROCEEDING: Civil trial

ORIGINATING COURT: Supreme Court of Queensland

DELIVERED ON: 19 August 2008

DELIVERED AT: Brisbane

HEARING DATE: 14 July 2008 – 17 July 2008

JUDGE: Chesterman J

ORDER: **1. Judgment for the plaintiff against the first defendant for \$760,000 together with interest at 9 per cent from 1 July 2002 to the date of judgment.**

2. Order that the first defendant by himself, servants or agents be restrained from reproducing, whether in electronic or paper form, or selling copies of the plaintiff's operating manual, a copy of which was exhibit 7 in these proceedings.

CATCHWORDS: INTELLECTUAL PROPERTY – COPYRIGHT – INFRINGEMENT – APPROPRIATION OF ORIGINAL WORK – where plaintiff claims for copyright in a computer screen display – where plaintiff claims for copyright and an injunction in the program manual – whether infringement of copyright

Legislation

Copyright Act 1968 (Cth), s10, s21(1A), s24, s32, s31,s115

Cases

Computer Edge Pty Ltd v Apple Computer Inc (1986) 161

CLR 171

Coogi Australia Pty Ltd v Hysport International Pty Ltd
(1998) 41 IPR 593

Cuisenaire v Reed [1963] VR 719

*Interfirm Comparison (Australia) Pty Ltd v Law Society of
New South Wales* (1975) 6 ALR 445

Ladbroke (Football) Ltd v William Hill (Football) Ltd [1964]
1 WLR 273

Libraco (Ltd) v Shaw Walker (Ltd) (1913) 30 TLR 22. In an
older case, *Page v Wisden* (1869) 20 LT (NS) 435

*Mirror Newspapers Ltd v Queensland Newspapers
Pty Ltd* [1982] Qd R 305

Navitaire Inc v Easy Jet Airline Co Ltd (2006) RPC 111

Nova Productions Ltd v Mazooma Games Ltd (2007) EWCA
CIV 219

Nova Productions Ltd v Mazooma Games Ltd (2007) EWCA
CIV 219

*Odham's Press Ltd v London and Provincial Sporting
Newsagency* (1929), Ltd [1935] 1 Ch 672

Pryor v Landsdown Press Pty Ltd [1977] VR 65 at 70 and
*Australasian Performing Rights Association v Grebo Trading
Co Pty Ltd* (1978) 23 ACTR 30

Real Estate Institute of NSW v Wood (1923) 23 SR (NSW)
349

*University of London Press Ltd v University Tutorial Press
Ltd* [1916] 2 Ch 601

*University of London Press Ltd v University Tutorial Press
Ltd* [1916] 2 Ch 601

*Victoria Park Racing and Recreation Grounds Co Ltd v
Taylor* (1937) 58 CLR 479

COUNSEL: Mr L Bowden for the plaintiff
Defendant in person

SOLICITORS: QBM lawyers for the plaintiff

- [1] The plaintiff carries on the business of selling computer programs to those who wager money on the relative speeds of horses, or of dogs. The purpose of the program is to increase the chances of placing a winning wager. The punters who buy the plaintiff's program are not those who attend a day at the races to enjoy the convivial society of like-minded people, or the sight of noble animals at full gallop, or pretty faces in fashionable dress, or even the sounds and smells of the stables, but

are those who follow the contest at home, by television or radio, seated at their computers, perhaps with cigarette and glass of beer at hand, ready to place a bet *via* the internet.

- [2] The plaintiff's program utilises, organises and presents information which is provided by the totalisator betting agencies ('TAB') in the three large eastern states to Seven (Operations) Network Pty Ltd ('Seven Network'), which then broadcasts it. The information does not appear on a television screen but by way of a coded signal which can be detected and decoded by a device attached to a home computer. The broadcasts are not free: one must purchase a decoding device and pay a quarterly subscription or licence fee to Seven Network for the information.
- [3] The TABs pay a winning dividend to those who correctly picked the winner in each race, and a smaller dividend to those who correctly chose the second and third placed horse or dog. The dividends are paid from the aggregate amount but on a particular race.
- [4] The TAB computers record the amounts bet on each horse as they are placed and, on the basis of the amounts wagered on all the starters in a particular race, indicate the likely dividend to be paid for a 'win' or a 'place'. The amounts of the dividends change over time as bets are placed and the amount of money in the TAB pool for a particular race increases and horses attract differential amounts of monetary support.
- [5] The TABs stop taking bets on a particular race at about the time it starts. The total amount bet on all the horses in that race ('the pool') is then known as are the respective amounts bet on each horse, and the number of bets. From these facts the computer determines the amount of the dividends.
- [6] The information telecast by Seven Network is extensive: it includes the time and place of each race; the distance to be run; the condition of the track and the weather; the identity of the horses (or dogs) entered to run each race; the names of those scratched from a race; the identity of the rider (or driver in the case of harness races;) and the horse's previous performances. The plaintiff's program does not attempt to assist punters to place a winning bet by reference to anything known about the horse, its rider or the conditions in which the race will be run. The critical information for the purposes of this litigation concerns the amounts bet on particular horses in particular races. The program focuses upon how other people bet.
- [7] The information telecast by Seven Network is known as BettorData. It is updated continuously as bets are placed in the time leading up to the start of each race.
- [8] The theory which underlies the plaintiff's program is that the racing 'market' is not fully informed, as economists desire. Some market participants are better informed about the likely result of a race than others. Those with 'inside knowledge' tend to place their bets secretly and shortly before the commencement of the race. The placement of this 'smart money', as it was called, is recorded by the TAB computer which passes it on without note or comment to the Seven Network which broadcasts it to its subscribers.
- [9] The plaintiff's program was designed to enhance this information, and to organise and display it in a form which readily identifies the change in betting which occurs when 'smart money' is bet. Subscribers to the BettorData telecast, and the

plaintiff's program, follow the lead of the 'insiders' and place bets where the 'smart money' has gone.

- [10] The plaintiff's managing director is Mr Rees. It was his idea to manipulate the BettorData in the manner I have described. In or about August 1996 he wrote a specification for a computer program which would sort the BettorData to reveal the pattern of late substantial betting. On behalf of the plaintiff he retained Mr Philip Scott, a computer programmer, to write the object and source codes which would produce a program to function in the desired manner.
- [11] The task was difficult and took some years to perfect. Programs were written, revised, amended, and rewritten until in about August 2000 a program was prepared which fulfilled the plaintiff's specifications. The program in its various versions was called by the plaintiff and Mr Scott 'StatusCard Software, TV Data, DataTRUST, DiVANTAGE'.
- [12] Mr Scott explained that a great deal of effort and experimentation was necessary to create a program that met the plaintiff's specifications. The process by which BettorData was organised to display, at a glance, movements in odds and amounts being bet on particular horses was difficult, as was the display of three separate types of data, each for a different TAB and, depending on the choice, the information for a particular TAB rather than aggregated information. Another difficulty lay in effecting the change of colour for the background to the heading when different TABs were selected.
- [13] Mr Scott wrote his program in Delphi, a visual presentation language. He explained that it was not difficult to change the background colour for the whole display but to choose different colours for separate parts of it, and to have that colour replicated on the headings of another part of the display as and when a choice between columns and colours was made by the cursor and mouse, constituted a considerable challenge to the designer. It took, he said, 'a very deliberate process to produce those colours'. The actual colours were chosen specifically by Mr Rees.
- [14] There were also difficulties in designing a program that allowed the operator to examine a set of figures appearing in the win or place pool column without at the same time altering the figures appearing in the columns to the left of the screen. The 'standard tools available in the Windows development environment' were not adequate to produce the desired result. Considerable adaptation in development was required.
- [15] Mr Scott said (D2 T25.50):
- 'The way Mr Rees managed to present the information was a very unique and clever way of presenting information in a way that is very easy to see exactly what it is you are looking for and ... they did it by the use of colours and the way that the screen was organised ... it was certainly not the typical way.'
- [16] On 11 November 2003, for valuable consideration, Mr Scott assigned to the plaintiff 'complete copyright of all versions of the StatusCard software', and agreed that he had no claim to any form of copyright for any of the products he produced for the plaintiff. An addendum to the assignment confirmed that all rights of action in

relation to the copyright in the programs referred to in the letter of 11 November 2003 had also been assigned to the plaintiff.

- [17] The program designed by Mr Scott produces a visual display on a computer screen from which one can observe the volume of money being wagered on a particular race. A printout of the screen display at one point in time, which was made exhibit 3, appears below. It consists of 10 vertical columns and as many horizontal lines, up to a maximum of 24, as there are entrants in a race. The first column, reading from left to right, is a simple numerical listing, 1-24. The second column is headed # and in it are the numbers allocated to the individual horses in the particular race. The third column is headed 'Runners' and contains the names of the horses (or dogs) in a particular race. The next three columns each has two headings. They are respectively 'NSW', 'QLD' and 'VIC'. These titles designate the TABs for each state. As the organisations were privatised, merged or acquired and changed their name so did the names heading the columns. Below each of these three headings are two sub-headings, designated 'Win' and 'Plc'. The latter is an abbreviation for 'Place'. There are thus a win and place column for each TAB.

The screenshot shows a betting board for a race at the Crowly Hotel, Sydney. The board is organized into columns for different states and a Win Pool. The data is as follows:

#	Runners	NSW 13:53		Qld 13:55		Vic 13:53		Victoria Win Pool										#	WIN%		
		Win	Plc	Win	Plc	Win	Plc	0h19	0h14	0h09	0h08	0h06	255	135	75	15	-45				
5	OAK RIDGE LAS	4.8	1.9	4.7	1.9	4.4	1.9	320	132	160	171	53	193	464	801	3708	2586	5	6588	19.8	
3	ELAINE'S CHOICE	3.7	1.5	4.9	1.5	4.4	1.9	500	91	103	86	194	492	182	949	3425	2401	3	8403	19.4	
2	SEA SHOAL	5.4	1.7	5.5	2.3	5.5	1.5	578	50	100	41	78	202	84	581	2451	2535	2	6700	15.4	
7	CONSTANT OPEP	6.7	2.2	5.9	2.1	6.5	1.8	359	88	452	46	169	46	623	312	1779	1910	7	5684	13.0	
8	EQUIVESCENCE	18.7	3.1	10.3	3.0	9.4	2.7	289	34	73	14	61	56	786	200	1247	1182	8	3924	9.0	
10	VEE STROLL	10.4	2.9	18.9	2.7	9.8	3.4	341	111	39	33	33	62	325	1195	810	827	10	3776	8.7	
4	MAGIC ZERO	11.2	4.2	12.8	3.0	11.1	4.2	304	98	338	95	80	64	406	312	769	874	4	3331	7.6	
6	CAMEO DAWN	13.1	2.7	12.6	3.1	16.8	3.1	237	23	71	32	55	248	10	202	908	658	6	2443	5.6	
9	RUBY WARRIOR	191.8	13.7	52.4	8.5	74.2	12.6	117	18	24	10	7	6	24	51	156	68	9	481	1.1	
1	LOVELY BLOKE	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	scr	1	
POOL		50096	18859	13903	5835	39377	15121	2772	570	1236	452	665	1243	2626	4181	13868	11764		39377		
TRF		21367		7237		10296	2772	3342	4578	5030	5695	6938	9584	13745	27813	39377					
QLN		6757		2734		4289	41														

Exhibit 3

- [18] The seventh column is the largest. In the example provided by exhibit 3 it is headed 'Victoria Win Pool' and is divided into 10 segments, each representing a point in time before the start of the race. The first segment, starting at the left-hand end of the column space, is headed '0h19' indicating it shows the value of bets placed on the particular horses in that race 19 minutes before the scheduled start. The segments to the right show those amounts bet at subsequent five minute intervals. Less than five minutes before the start the times at which the amounts bet is displayed are shown in seconds, indicated by red numerals. In exhibit 3 the amounts bet are shown at 255 seconds prior to the start, 135 seconds, 75 seconds, 15 seconds and -45 seconds. The negative number reflects the fact that some races start after their

advertised time and bets can be placed at the TAB up to the precise moment when the race starts.

- [19] The next column is a repeat of the second column, the TAB ascribed numbers. The next column is headed 'VIC' and then underneath, 'Win'. In this column one sees the total amount bet on each horse. The next column is headed '%' and shows the amount bet on each horse as a percentage of the total.
- [20] Some other features of the program should be mentioned. Each of the three TAB columns is coloured: blue for New South Wales, pink for Queensland and green for Victoria. As I mentioned these columns are subdivided into win and place. This is reflected in the colouring: the place sub-column is paler than the win sub-column.
- [21] The program is compatible with Microsoft Windows. If one moves the cursor to any of the six TAB sub-columns and clicks the mouse the large, seventh, column will display the figures relevant to the betting on that TAB for that particular result. For example, in exhibit 3 the column depicts 'Victoria Win pool', indicating that the operator had clicked on the TAB column 'VIC WIN'. Had the punter clicked instead on the place sub-column of the Victorian TAB the column would have displayed the bets placed for a dividend to be paid on a place and the column would have been headed 'Victoria Place pool' and the amounts and percentages shown in the ninth and tenth columns would have been of money bet for a place.
- [22] As well as this the line of the heading, in the case of exhibit 3 'Victoria Win pool', is green in background and is identical to the colour chosen for the 'Vic Win' sub-column. If the punter had selected by cursor and mouse click a Queensland or New South Wales TAB, win or place sub-column, the figures bet on that TAB for the win or the place would have been revealed and the column would be headed 'NSW' or 'QLD', as the case may be, and either 'Win pool' or 'Place pool'. Also the background colour of the column heading would change to match the colour of the column selected.
- [23] Two other features should be described. The subordinate heading, in the line commencing 'Runners' in exhibit 3, is given a yellow background. There is an exception in the case of the TAB column. That is coloured grey to identify the TAB operating in the state in which the race with respect to which the BettorData is being displayed, is to be run. So, to take an obvious example for a race run at Eagle Farm, what was called the 'home TAB', would be 'QLD'. The program would depict the words 'Win' and 'Plc' against a grey background.
- [24] The last feature to describe is the use of colour to highlight a change in the amount of money being bet on a particular horse. A line towards the bottom of the screen display indicates the percentage change in support for a particular horse against different background colours highlighting the changes. If there is no change the background is the general white background in that column. A change between 0 and 5 per cent is highlighted by a shade of pale blue. An increase of between 5 and 10 per cent is highlighted by a deeper shade of blue and increases of between 10 and 15 per cent by a deep shade of blue. Brighter colours have been picked to highlight the larger changes. An increase in betting of between 15 and 20 per cent has a yellow background. The next increment, 20-25 per cent is highlighted in green and increases of more than 25 per cent are highlighted in red (although it appears pink in exhibit 3).

[25] The screen displays contain more than I have described but it is this segment of the display which is in dispute. It is obvious that the example provided by exhibit 3 is of a particular race. The program allows the operator to choose any race at any venue on which bets may be placed on a TAB. By moving the cursor and clicking one can choose different races and obtain different sets of data but the dispute, as I say, concerns that which is depicted by way of example in exhibit 3.

[26] Mr Rees wrote a training manual to explain the operation of the program designed by Mr Scott. The copy put into evidence, exhibit 8, is headed 'TV Data 2001 Training Manual'. The manual explains:

'Our system is acknowledged as being the fastest, most accurate method of discovering just what is happening right now on each of Australia's TABs.

TV Data 2001 shows you all the win and place pools from each TAB.

Only TV Data 2001 makes it easy to view each TAB with the click of the mouse.

On the following pages we will look at each section of the program and discover the many "hidden" features.

Only by fully understanding this program's many features will you be able to optimise your returns on each TAB.

The TV Data 2001 program is designed to run 24 hours a day. The TAB data is received direct from the TABs computers each day starting at about 7am (Sydney time).'

[27] The concluding section of the manual is headed 'Wagering Strategies' and contains facts and recommended betting strategies. 'Fact 4' is that:

'60% of favourites are placed first, second or third in each race. Fifth favourites are placed in 48% of races.'

The fact is erroneous. Fifth favourites win 18 per cent of the time, not 48 per cent. Mr Rees made the correction in later versions of the manual.

[28] The first defendant is a computer programmer with an interest in horse racing. He has been employed and self-employed as a computer programmer. Since about the early part of 2002 and until recently he carried on business under the name 'Cowleys.com.au', which had its own domain name and web site and was a registered business name. Cowleys' business was the sale of a computer program remarkably similar in function to the plaintiff's. A printout of its screen display is set out below. An operating manual was also provided with his program for the assistance of the purchasers. The language of the manual is astonishingly similar to that which Mr Rees wrote for the plaintiff in the year 2000.

Version 4.110

Track: DEAD TAB Time: 15:51:22 Race # 1 - WAGGA Time Left: 12:28 Closed

Weather: FINE

Distance: 1000 Event: Race # 1 Bartercard Riverina Mdn Hcp D1

Mon 21 Jul 2003

11 Runners

#	Runner	NSW		Uni		Super		Super TAB Win Pool											WIN	%
		Win	Plc	Win	Plc	Win	Plc	21m	8min	6min	210	120	60	30	-30	-60				
3	NEOTIME ...	2.00	1.40	2.30	1.40	2.10	1.20	578	39	938	384	339	1687	1590	4322	1176	13718	40.00%		
1	BAGO ROAD ...	4.50	1.30	4.00	1.40	4.70	1.30	110	23	373	1148	192	509	1620	860	131	6129	17.90%		
2	TRANSALL ...	7.00	2.40	7.00	2.20	5.50	2.30	182	51	268	282	128	915	555	2073	311	5238	15.30%		
11	I M SPARTAC...	12.40	2.90	12.70	2.20	12.10	2.50	214	40	164	861	102	260	-907	343	23	2381	6.90%		
8	COOLABAH ...	12.80	2.40	11.90	3.60	13.60	3.60	232	11	73	590	103	186	180	169	28	2118	6.20%		
4	SANGUINEOU...	16.40	3.00	20.00	4.10	17.30	4.40	80	50	108	443	103	270	319	133	32	1665	4.90%		
5	CHEQUE THE ...	25.50	4.80	23.10	4.30	27.20	5.10	97	6	32	113	117	161	120	193	6	1059	3.10%		
10	GOLDSAM TER...	30.00	7.00	26.10	4.80	36.50	4.40	79	8	31	99	41	83	140	78	31	789	2.30%		
7	CASUAL DIEU ...	107...	12.50	53.50	11.20	63.00	13.20	42	27	24	52	8	17	79	56	10	457	1.30%		
12	SPRINGWINA ...	65.70	10.90	39.90	9.60	73.00	14.10	58	0	42	44	16	53	84	33	3	395	1.20%		
6	DENBIGH ...	128...	17.50	65.50	12.00	89.00	10.30	38	11	13	43	2	17	84	19	5	324	0.90%		
9	GOLD WORKS ...																			

Exhibit 4

Trifecta:	38626	18108	34273
Quinella:	12997	9735	14624
	5574	3018	4441

Bettor Data Feed

0% 0-5% 5-10% 10-15% 15-20% 20-25% 25+%

Jockey Dollars Results

- [29] The plaintiff alleges that the first defendant has infringed its copyright in its manuals and racing program. The plaintiff seeks an injunction restraining the first defendant from producing in a material form, or selling, 'a table of horses giving TAB information as to the shortening of odds and involving the use of colours ...', as well as damages.
- [30] The first defendant appeared for himself. He is a man of obvious intelligence who had some knowledge of the procedures of civil litigation and appeared to have been tutored in the laws of copyright. He also has a profound knowledge of computers and programs.
- [31] The second defendant did not appear. I was informed that judgment by default had been obtained against him. The first defendant gave evidence that he has been deported to New Zealand.
- [32] At the time of the events with which this action is concerned the first and second defendants were acquaintances, if not friends, and did business together.
- [33] The first defendant denies copying the plaintiff's racing program or reproducing the Cowleys manual from the language of the plaintiff's manual. His case was that he independently designed the Cowleys racing program and that the second defendant wrote the manual without assistance or involvement from Mr Rotondo.
- [34] It is appropriate first to consider the origins of the first defendant's racing program and manual and then, if necessary, examine whether the plaintiff has copyright in any work which has been infringed by the first defendant.

- [35] Mr Rotondo said that in April 2002 he became a licensee from Seven Network pursuant to an agreement which gave him the specifications and encryption key for the coded BettorData telecasts. The agreement allowed Mr Rotondo to provide the BettorData and decoding devices to his customers as long as they were themselves subscribers to the Seven Network telecast. The specification provided by Seven Network pursuant to the licensing agreement was said by Mr Rotondo to be the 'original data specification' he used to build a 'prototype Cowleys program.'
- [36] He explained that he (D3 T46.32-42):
- ' ... designed and developed the first prototype of the program utilising the BettorData feed in April/May 2002. The software development tool used was Microsoft Access 2000. (He) set about building the program in Access 2000 because (he) had seven years experience with it and could develop programs very rapidly with it. ... (He) had to collect and decode the data from the BettorData feed ... (which) normally ... would be ... pretty straightforward ... but because there (were) so many data-type errors in the ... specifications (he) had numerous problems getting the data right.'
- [37] It took, he said, many months to work out how to collect and decode the data correctly, but only 'a couple of weeks to collect and generate some recognisable data ... to display in the prototype program.'
- [38] Mr Rotondo testified that he made his own choice of colours for his program. He chose blue for New South Wales because it is the colour worn by that state's sporting teams. He wanted to use maroon for Queensland for the same reason but chose pink instead because maroon would not have provided a good contrast for the black letters and numerals. He selected green for Victoria because it is known as 'the Garden State'. It was, he said, a matter of coincidence that the colours he chose for the three TABs were identical to Mr Rees' choices.
- [39] The first defendant engaged a graphic designer, Mr Rawley, to design what he called 'the visual screen images' for his program. These images are the displays above and below the column and line display with which the case is concerned. There are differences between the two programs as to the information contained in those areas and the manner in which it is depicted. There are also similarities as is apparent from the attachments. Mr Rawley's part of the defendant's display is not in contest.
- [40] Both the plaintiff's and the first defendant's programs display more information than appears in exhibits 3 and 4. However it is that 'screen' which is in contention.
- [41] In September 2002 the first defendant engaged Mr Pheeny, a software developer, to complete his design work. Mr Pheeny was asked to convert the source code of Mr Rotondo's prototype program from Microsoft Access 2000 to a program called Visual Basic 6 which is similar in function to Delphi in which the plaintiff's program has been written. The conversion was thought necessary to make the program run faster.
- [42] The plaintiff did not sell its program to retail customers. It sold to a wholesaler, the identity of which changed over the years, who in turn advertised and sold them to individual customers throughout the country. The plaintiff received between \$1,800

and \$2,000 for each program. The retail customers paid between \$6,000 and \$10,000. As well as the capital cost the customers were obliged to pay the subscription, or licence fee, which entitled them to access the BettorData, and to assistance from the plaintiff's employees with respect to the operation and repair of the program. The fee was paid directly to the plaintiff.

- [43] Transvision Data Pty Ltd ('Transvision') which was owned by Mr Jeffrey Weber and Mr Paul McCabe was incorporated for the purpose of selling the plaintiff's program. Specifically, what was sold was a copy of the program on CD, a copy of the manual either on the CD or in paper form, a decoding device which enabled the Seven Network signal to be decrypted onto the purchaser's computer, and a subscription to the Seven Network service which was periodically renewable. The subscription fee, or licence fee, generated a substantial cash flow to the plaintiff which provided after-sales service, as I have mentioned.
- [44] The second defendant was employed by Mr Weber as Transvision's sales manager.
- [45] He gave some evidence which was not objected to, though it might have been, and which Mr Rotondo did not controvert when he gave evidence. According to this evidence, Mr Rotondo and the second defendant were acquainted and had business connections. The second defendant asked Mr Rotondo to design a computer program which would perform the same functions as the plaintiff's. The first defendant then produced the Cowley program which Mr Weber described as being indistinguishable from the plaintiff's. The second defendant approached Mr Weber with the Cowley programs and asked him to sell them instead of the plaintiff's program. The price was cheaper. Mr Weber agreed and bought programs for on-sale. The first defendant supplied them to the second defendant.
- [46] The second defendant appears to have owned and controlled at least two companies, Australasian Racing Data Pty Ltd ('ARD') and Global Racing Data Pty Ltd ('Global Racing').
- [47] The defendants provided Transvision with exactly the same products that the plaintiff had done, a CD containing the program, a written manual and a decoding device. Mr Weber noted that the defendants' manual read 'exactly word for word' as the plaintiff's manual.
- [48] Mr Braidotti was employed by ARD as a salesman for about 18 months from about the end of 2002 or early 2003. He explained that the second defendant was 'the owner and boss' of ARD which had an office in the Dascom building at Varsity Lakes on the Gold Coast. Next to ARD's office was an office occupied by Cowleys and the first defendant whom he met in the course of his employment. ARD sold racing programs to the public. According to Mr Braidotti it was Mr Rotondo who supplied the programs to ARD. Mr Braidotti estimated ARD's turnover from the sale of programs at between \$200,000 and \$250,000 a month, selling between 20 and 25 programs each month at a price of \$10,000 each. When ARD made a sale it handed to the customer a CD containing the program, a decoder box and an operating manual. It offered, as an option, a laptop computer.
- [49] During the course of his employment Mr Braidotti had occasion to observe the operation of the plaintiff's racing program. It ran on a computer in a demonstration room in ARD's offices where prospective purchasers could see the program in use. The plaintiff's program was regarded 'as a master copy for bugs that were trying to

be ironed out in the program that (the first defendant) was actually using and selling.’ On many occasions Mr Braidotti observed the first defendant examining the operation of the plaintiff’s program in order to remove defects in the program which he was supplying to ARD.

- [50] Mr Braidotti explained that the plaintiff’s program was the only one available at the time ‘that actually gave you a live data feed ... which was why it was so sought after and we were able to command you know \$8,800 plus GST for the program.’ Mr Braidotti often heard the first and second defendants speak about improvements to, or problems with, the Cowley program. As a result of these discussions the first defendant would prepare an amendment to the Cowley program ‘and then compare it to the master copy’ which was, as he explained, the plaintiff’s program.
- [51] Mr Braidotti testified that it was ‘general knowledge’ among ARD’s employees that the first defendant had taken a copy of the plaintiff’s program from Transvision when he worked there. He showed it to the second defendant who then produced the Cowleys program. Part of this testimony may have been inadmissible, but it was not objected to, nor controverted by, the first defendant in his cross-examination of Mr Braidotti, nor directly in his own evidence.
- [52] Mr Braidotti left his employment with ARD at about the end of 2004. The plaintiff had by then commenced this action which had gained some notoriety. Later, in 2006, Mr Braidotti set up his own company for the purpose of selling the Cowleys racing programs which he bought from the first defendant. However, Mr Rotondo would not supply copies of the operating manual for Mr Braidotti to provide to his customers. This was an obvious drawback to his business. He spoke to Mr Rotondo on several occasions but the first defendant persistently refused to supply the manuals. Mr Braidotti recalled one occasion on which he again asked the first defendant to supply manuals to sell with his program. Mr Rotondo mentioned the litigation as the reason why he would not supply manuals. He said that if he had not copied the manual he ‘would have got away with it’. He described the manual as his ‘Achilles heel’.
- [53] In 2002 Transvision began to buy the Cowley program from ARD and/or the second defendant and stopped selling the plaintiff’s programs. The Cowley program was not as reliable as the plaintiff’s. Customers complained of poor performance and expressed dissatisfaction with the product. Difficulties with the sale of the Cowley program led to the company’s demise. It was wound up in 2003. Thereafter the plaintiff sold its program through another company, Divantage Pty Ltd.
- [54] There is a contest of fact between the parties as to whether the first defendant copied the plaintiff’s racing program as Mr Braidotti and Mr Weber described or whether, as the first defendant contends, he designed his own program which coincidentally resembled the plaintiff’s in functionality and display.
- [55] There can be no doubt that the operating manual supplied by ARD to its customers has been copied from the plaintiff’s operating manual which Mr Rees wrote and supplied to Transvision. The ARD manual has been taken, word for word, from Mr Rees’ work. The error set out in paragraph 27 of these reasons appears in the ARD manual. Nearly all the content of that manual comes from the plaintiff’s manual, not all of which has been reproduced. The Cowley manual is shorter. Mr Rees explained that the first defendant’s program has fewer functions than the

plaintiff's so that parts of the plaintiff's manual relevant to those functions have not been reproduced. That apart, the works are identical.

- [56] Dr Sugden, an expert who testified on behalf of the first defendant, prepared a draft report dated 22 November 2007 in which he wrote:

‘Manual

There can be no reasonable argument here. It is obvious even to a non-computing professional that one was taken largely from the other. Given the dates on the documents supplied to me, there is no doubt that the VB1 was based heavily on the Delphi manual. In fact, substantial parts form a verbatim copy of sections of the manual for the Delphi program.’

‘VB’ is a reference to Visual Basic in which the defendant's program was written.

- [57] This paragraph was omitted from the final version of Dr Sugden's report. The first defendant asked him to leave it out.
- [58] Mr Rotondo does not dispute that one manual is a copy of the other. His case on this point is that he played no part in the copying. His affidavit deposes, somewhat obliquely, that from June 2002 onwards the second defendant bought Cowleys programs from him and sold them. Mr Dibiani told Mr Rotondo that purchasers of the program ‘also received a manual’, which, the first defendant understood, was prepared by the second defendant. He denied having any ‘input whatsoever in the creation of the ARD manual.’
- [59] The first defendant repeated this evidence in oral testimony and tendered a paragraph from a statement made by Mr Dibiani which purports to corroborate the first defendant's denial.
- [60] The plaintiff asks the Court to find that the first defendant's program reproduces the visual display of data produced by the plaintiff's program. It also asks the Court to find that it was the first defendant who copied the manual, not the second defendant. It submits that the similarities between the visual displays is explicable only on the basis that one is a copy of the other and that Mr Rotondo's denials of authorship of the manual should be rejected.
- [61] The similarities between the visual displays are substantial. There is the identical choice of colour, and shades of colour, for the three TABs. There is the choice of grey to identify the TAB of the state in which the race is being conducted. There is the fact that the time intervals less than five minutes from the designated start of a race are displayed in red numerals showing the time to the race in seconds. There is also the use of the identical colours to indicate the horses on which the odds are shortening the degree to which the odds are changing.
- [62] There is also the point, which Mr Scott described as significant, that the operating manuals for the two programs are identical. He thought it most unlikely that two programs written independently would run on precisely the same set of commands, so that their operating manuals would be identical. In his 24 years of experience as a computer programmer he had never experienced ‘two applications written completely independently, even in the same industry, that happened to be able to use the same user manual.’

- [63] The Cowleys manual in electronic form can be accessed, read and downloaded from the Cowleys website owned by the first defendant. It is odd that it should have been part of the first defendant's internet site if he had no part in the preparation of the manual and did not supply it or copies of it to Mr Dibiani. The first defendant, when giving evidence, did not explain the anomaly.
- [64] Mr Rotondo identified in paragraph 45 of his affidavit 18 dissimilarities between his program and the plaintiff's. He advanced these as corroboration for his evidence that he independently designed the Cowleys program, as he said.
- [65] This is not a case in which one has to undertake a detailed analysis of similarities and dissimilarities to conclude whether or not one work is a copy of another. If the evidence of Messrs Weber and Braidotti is accepted in preference to Mr Rotondo's, the plaintiff has clearly established that he took his program from the plaintiff. As well, Mr Scott's observation about the manual strongly suggests that the Cowley program did not have an origin independent from the plaintiff. It is not credible that the plaintiff's manual would have been copied and supplied to purchasers of the Cowleys race program if that too, had not been copied.
- [66] I have no hesitation in disbelieving Mr Rotondo on critical questions. There are several reasons for that conclusion.
- [67] The first is that he lied about the existence of an employee whose name was given as Alistair. The first defendant objected to the tender of exhibit 24 on the ground that it had not been demonstrated to be his document. The name 'Alistair' appears on the first page. In support of the objection he said (D2 T48.6):

'I have never employed someone by the name of Alistair.'

Mr Braidotti gave evidence that 'Alistair' was a fiction utilised by the first defendant. The name was advertised to customers as describing an employee who could service the Cowley program, in the event of difficulty 'but he never actually existed as a person. ... If you rang the number it never ... answered but if you sent an email to Alistair it would be responded to by (the first defendant).' Then it was proved that the first defendant's own website contained references to 'Alistair'. See exhibit 30. When the first defendant came to give evidence (D3 T65.15) he said that there was indeed an employee, whose real name was Tony Rohannah, but who went by the name of Alistair. Mr Rohannah was called Alistair, so the first defendant said, to avoid the inconvenience of there being two persons both called Tony in the first defendant's business.

- [68] I am satisfied that the first defendant lied when objecting to the tender of exhibit 24 and gave a false explanation in evidence when it had been proved that he had promulgated 'Alistair' as an employee.
- [69] The second reason concerns the manuals. The first defendant testified that he supplied his racing program to the second defendant for sale through ARD or Transvision. He said that Mr Dibiani would provide a copy of the manual with the program when he made a sale. On the occasions when Mr Rotondo himself made a sale to a member of the public he would provide his program but no manual. He left the purchaser to work out as best he could how to operate the program for which he had paid several thousand dollars. The first defendant also said that he did not think it necessary to write an instruction manual for purchasers because he 'didn't

consider it (his) problem.’ He thought that having created the program it was the salesman’s job ‘to do customer support.’ (D3 T67.10) He left the second defendant to write the manual for the program because its operation was ‘too obvious’ to require explanation. However, he had no basis for thinking that Mr Dibiani was capable of producing a useful manual.

- [70] Mr Rotondo’s evidence as to the authorship of the Cowleys manual is unacceptable. I am satisfied that it, too, is an invention. It is not credible that Mr Rotondo would have left the writing of the operating manual for his program to the second defendant who was a salesman with little knowledge of computers and no skill or understanding of computer programming.
- [71] I accept Mr Braidotti’s evidence that the first defendant admitted copying the manual and realised that his conduct implicated him in copying the plaintiff’s program. It is for that reason that the first defendant persisted in his denials that he copied the manual.
- [72] Lastly, I mention another attempt by the first defendant to deceive the Court. He was disposed to dispute Mr Braidotti’s evidence that he ever had an office adjacent to ARD’s office in the Dascom building. He tendered a company search showing the registered office of ARD to be in Southport, and contended that Mr Braidotti’s evidence was wrong. He chose to ignore the fact that ARD may have had an office and an address somewhere other than its registered office. When pressed in cross-examination on the point he was most evasive, but eventually accepted that the second defendant did have an office near his, though he claims the tenant was Global Racing, not ARD.
- [73] I reject the first defendant’s evidence. I accept that of Mr Weber and Mr Braidotti. I am satisfied that the first defendant copied the plaintiff’s operating manual and replicated its computer program. This conclusion is not affected by the evidence given by Dr Sugden or by Mr Pheeney which there is no reason to doubt.
- [74] Dr Sugden, an associate professor in mathematics and computation at Bond University, provided a report, the burden of which is that the first defendant did not engage in the process of reverse engineering in order to copy the plaintiff’s computer program. He explained that the plaintiff’s program was written and compiled in Borland Delphi and uses a proprietary database which is not Microsoft Access. The first defendant’s program was written and compiled in Microsoft Visual Basic 6.0 and uses a Microsoft Access database to store and manipulate data. His report (exhibit 32) goes on:

‘... Computer programs (also called ... applications) specifically designed for a certain task have been automatically generated from a source code ... by a special program called a compiler. A program ... then translates the source program into machine language. ... In principle it would be possible to reverse engineer a compiled Delphi program ... into a VB program, but in practice it would not usually be worthwhile In almost all cases it is easier and cheaper to build a new system from scratch. ... Delphi source code *cannot* be used in a Visual Basic program ... without significant alteration. ... It is not obvious ... that any of the Visual Basic source codes bears any resemblance to the Delphi source code; these are quite different.’

- [75] According to Dr Sugden both the plaintiff's program and the first defendant's program are designed to receive a live broadcast from Seven Network's BetterData. Given this, one would expect a similarity in the computer codes and in the visual display they produce. Professor Sugden accepted that it would be relatively easy to replicate the plaintiff's visual display generated by its program by means of a different code. He explained that both Delphi and Visual Basic 'have similar environments' and that one could be used to produce to replicate the layout, design and colours, that the other produced.
- [76] Mr Pheeneey's evidence was that the first defendant engaged him to convert the software which Mr Rotondo was utilising to run the Cowleys racing program. The first defendant had utilised Microsoft Access software to display the data in what I have called column 7 of the visual display. He had attempted to convert transmission of the data from that software to Visual Basic which was said to be a more flexible software environment for the reproduction of the data. Mr Rotondo had difficulty in making the conversion and engaged Mr Pheeneey to complete the task, which he did.
- [77] It should be made clear at the outset that the plaintiff did not assert that any copyright in its computer program has been infringed by the first defendant. The plaintiff seeks an injunction restraining the reproduction in a material form of the work which appears on a computer screen generated by its computer program in the form exemplified in exhibit 3. As well the plaintiff claims damages for the infringement of that work and of the manual.
- [78] 'Computer program' is defined in s 10 of the *Copyright Act 1968* (Cth) ('the Act') to mean:

'A set of statements of instructions to be used directly or indirectly in a computer in order to bring about a certain result.'

The definition has been taken from the exposition given by Gibbs CJ in *Computer Edge Pty Ltd v Apple Computer Inc* (1986) 161 CLR 171 at 178-9. His Honour said:

'A computer program is a set of instructions designed to cause a computer to perform a particular function or to produce a particular result. A program is usually developed in a number of stages. First, the sequence of operations ... is commonly written out in ordinary language, with the help, if necessary, of mathematical formulae and of a flow chart and diagram representing the procedure. ... Next there is prepared what is called a source program. The instructions are now expressed in a computer language – either in a source code "which is not far removed from ordinary language ..." or in an assembly code (a low level language, which is further removed from ordinary language than a source code) The source code or assembly code cannot be used directly in the computer, and must be converted into an object code ... which can be directly used in the computer. The conversion is effected by a computer, itself properly programmed.'

[79] The operation of a computer program was further explained by Gleeson CJ, McHugh, Gummow and Hayne JJ in their joint judgment in *Data Access Corporation v Powerflex Services Pty Ltd* (1999) 202 CLR 1 at 9-10, quoting an English text book, Carr & Arnold, *Computer Software: Legal Protection in the United Kingdom*. The explanation was:

‘A program is executed by the central processing unit (CPU) of the computer The CPU consists of an arrangement of electronic circuits which are activated by impulses of electric current. ... The presence or absence of pulses of current is represented by binary digits (“bits”). ... A computer program is a series of bits, each bit representing the presence or absence of a pulse. The program operates within the CPU as a series of pulses in a pre-arranged sequence in accordance with the order of bits devised by the computer programmer. Accordingly, the “instructions” of a computer program represent a series of impulses which operate within the computer to make the machine perform certain predefined functions.’

[80] By s 32 of the Act copyright subsists in an original literary work first published in Australia by an author who is resident in Australia. The conditions are satisfied. The plaintiff’s employee, Mr Rees, was the author. It is a resident of the country. The work was first published here.

[81] By s 31 copyright in a literary or artistic work is the exclusive right to reproduce it in a material form. Section 115 of the Act provides that the owner of a copyright may bring an action for infringement and recover an injunction and/or damages.

[82] The plaintiff does not allege that the first defendant has copied its computer codes, source or object codes, or the sequence or patterns of bits which cause the plaintiff’s computer program to function. The plaintiff’s case is that the first defendant set out to replicate the functions of the plaintiff’s program and did so by means of a different computer program. In doing so the plaintiff alleges that the first defendant’s program reproduced the computer screen display I have described. That screen display is said to be a literary or artistic work, copyright in which subsists in the plaintiff.

[83] The source codes and object codes (machine language) of the two programs are not the same. The programs, Delphi and Visual Basic, are different. The plaintiff’s case is that the first defendant set out to replicate the operation and functionalities of its program, utilising commercial software for the purpose. The plaintiff’s case is not that Mr Rotondo engaged in reverse engineering to work back from the functions of the program to its codes, but that, using different codes and software, it duplicated the manner in which the plaintiff’s program processes the BettorData and displays it. I have no doubt that this is what the first defendant did with some success. The evidence of Mr Weber and Mr Braidotti point inexorably to that conclusion.

[84] The plaintiff’s case is that the visual depiction of the data produced by its program is original, artistic or literary work as defined by the Act and that the first defendant’s program produces a copy of the same visual depiction thereby infringing its copyright in the work.

- [85] There is a degree of difficulty and, indeed, artificiality in this part of the plaintiff's case. The difficulty arises from the fact that the functionality of a computer program, its behaviour, is not the subject of copyright protection. See eg *Autodesk Inc v Dyason (No 2)* (1993) 176 CLR 300 at 304. The artificiality comes from the fact that though basing its case upon the infringement of what is said to be a literary or artistic work, the depiction on the screen, the plaintiff is in fact attempting to restrain the first defendant from producing or selling his computer programs which perform the same functions as the plaintiff's. The plaintiff seeks to achieve that end by restraining the reproduction of images, which are an essential product of the functions of the program, but are said to be original works protected by s 31 of the Act.
- [86] The case has considerable similarity to *Navitaire Inc v Easy Jet Airline Co Ltd* (2006) RPC 111. It was described by Jacob LJ in *Nova Productions Ltd v Mazooma Games Ltd* (2007) EWCA CIV 219 at para 46:

‘The facts ... were ... Easy Jet wanted to substitute its existing airline booking program with another because it had fallen out with Navitaire, the owner of the copyright in the existing program. It commissioned the second defendant to produce a substitute which would look and feel like its predecessor. So far as possible users were not to notice any difference when they used the new program. Without in any way using or even having access to the source code of Navitaire, this was achieved.’

Nevertheless the plaintiff, Navitaire, lost its action. Pumfrey J said (2006 RPC 160-1):

‘... The question with which I am confronted ... is peculiar ... to computer programs. The reason it is a new problem is that two completely different computer programs can produce an identical result: not a result identical at some level of abstraction but identical at any level of abstraction. This is so even if the author of one has no access at all to the other but only to its results. The analogy with a plot is for this reason a poor one. ... A computer program ... does not have a plot, merely a series of pre-defined operations intended to achieve the desired result in response to the request of the customer.’

and at 162:

‘What is left when the interface aspects of the case are disregarded is the business function of carrying out the transaction and creating the record, because none of the code was read or copied by the defendants. It is right that those responsible for devising OpenRes envisaged this as the end result for their program: but that is not relevant skill and labour.’

- [87] The first defendant did not copy the plaintiff's computer program. Using a different program it managed to replicate many of the functions of the plaintiff's program and the manner in which the plaintiff's program displayed information. The plaintiff accepts that there is no copyright in the functionality, or the 'look and feel' of a computer program, and the concession is rightly made. In a useful discussion

by Professor Ricketson, *The Law of Intellectual Property Copyright Designs & Confidential Information* para 9.255, the author points out that the protection afforded by copyright attaches to a computer program, the code, but not to the non-literal, behavioural, aspects of the program. The manner in which it functions, the results it produces, are not, or at least not generally, the subject of copyright. The author also notes that the decision of the High Court in *Data Access* is ‘unsympathetic’ to ‘the protection of user interface aspects of a program’.

[88] The plaintiff’s case is limited. It seeks an injunction only with respect to the display of information which appears on the computer screen when its program is operating and the operator selects that part of its functions which shows the change in betting patterns. This screen display, or visual image, is said to constitute an original literary or artistic work which is infringed by the reproduction on a computer screen of the same images on the screens of those using the first defendant’s program. The plaintiff’s argument was:

‘12.

- (a) (i) the plaintiff is the owner of the copyright in the tables which appear on the screen when the StatusCard program is operating;
- (ii) the tables are a literary work as being a compilation which contains an element of artistic work in the form of the colours involved;
- (b) the defendant has reproduced those tables (including the colours) in a material form so as to breach the plaintiff’s copyright in that:
 - (i) he has copied the tables by a process, using a computer program (visual basic), so as to create its own copy of the table electronically;
 - (ii) he has thereafter created a copy of a CD upon which the tables are also stored;
 - (iii) he has thereafter sold the CD to members of the public and at the same time authorised those members of the public to use the copy so provided, for their own purposes by playing the CD and further re-producing the copyright work in a visual form.

14. Three provisions of the Act are important in the above submissions:

- (a) the definition of “material form”;
- (b) s.21(1A) of the Act;
- (c) s.24 of the Act.

15. By s.10 of the Act, material form is defined as follows:

“‘material form’, in relation to a work or an adaptation of a work, includes any form (whether visible or not) of storage of the work or adaptation, or a substantial part of the work or adaptation, (whether or not the work or adaptation, or a substantial part of the work or adaptation, can be reproduced).”

16. Section 21(1A) provides:

“For the purposes of this Act, a work is taken to have been reproduced if it is converted to or from a digital or other electronic machine readable form, and any article embodying the work in such a form is taken to be a reproduction of the work.”

17. Section 24 provides:

“For the purposes of this Act, sounds or visual images shall be taken to have been embodied in an article or thing if the article or thing has been so treated in relation to those sounds or visual images that those sounds or visual images are capable, with or without the aid of some other device, of being reproduced from the article or thing.”

24. The court should find that he set about copying the relevant tables and colours by the method demonstrated by Mr Scott and accepted by Dr Dugden.
25. This method clearly involved the creation of a grid pattern and the application of all relevant colours into that pattern by the use of a computer and a suitable program.
26. More particularly it involved:
- (a) the selection of a grid pattern;
 - (b) the selection as to what data was to be displayed and in what order or manner;
 - (c) the selection of the relevant tab colours, blue for New South Wales, pink for Queensland (Unitab) and green for Victoria (Supertab);
 - (d) it also involved the selection of different shades of colour to distinguish between place and win;
 - (e) there was also the use of the grey colour to identify the home TAB;

- (f) there was also the display of the time going to red at the 5 minute mark;
 - (g) also there was the use of colour coding to highlight shorteners.
29. The consequential storing of such copyright material constitutes a reproduction of it in a material form within the meaning of s. 10 and s.31(1)(a) of the Act. Plainly a storage in a electronic form invisibly as it were, is the reproduction of a document in a material form.
 30. Then a CD is created. It was common ground that, or at least hardly in dispute, Mr Rotondo created (perhaps the correct term is “burn”) a CD and sent this, with a manual, to his clients including those of the plaintiff in late 2003.
 31. The CDs contained the relevant program. There is no doubt about that. Further it was common ground that once played in another computer his (Rotondo’s) screen would appear and the program would operate.
 32. In these circumstances, s.24 applies because the CD constitutes an article which, with the aid of some other device, will reproduce the relevant visual images. Given that s.24 applies, then s.21(1A) also applies and the relevant copyright work “is taken to have been reproduced”. Also the CD amounts to reproduction in a material form because the CD is a form of storage of the copyright material.

[89] There is, I think, a real question whether something as evanescent as a computer screen display can be a work for the purposes of the Act. The topic is complicated and its resolution in a particular case will probably depend upon more detailed evidence as to the nature, origin and storage of the information which is transformed into the form of a screen display, than was adduced in this case. I note the subject was discussed in the report of the Copyright Law Review Committee in its report on computer software protection. The relevant paragraphs of the report are 9.43 to 9.48 which I attach to these reasons.

[90] In paragraph 9.44 the committee noted:

‘Screen displays may be generated either by retrieving data stored in some form of machine memory or generated during a computer program. ... Which of ... these two categories a particular screen display falls into will depend on the nature of what is being displayed, and in some cases, the nature of the program being used. Screen displays generated by a computer program can be characterised as part of the program’s behaviour. The question which arises in this context is whether this particular form of program behaviour should be protected. The issues concerning the protection of these types of screen displays are different to those that

apply where the screen display is generated by the retrieval of a work that is stored in computer memory. In respect of such displays the issue of protection is relatively straightforward. Where copyright subsists in the work that is being displayed, the unauthorised copying of the screen display of the work will infringe copyright in the work.'

- [91] The plaintiff's submission is that in some form the first defendant's program contains a copy of the plaintiff's screen display and that its reproduction of that display is generated by the retrieval from the computer codes embedded in the CD. The visual images are said to be 'embodied in an article or thing' for the purposes of s 24 of the Act so that the concluding sentences of paragraph 9.44 are apposite.
- [92] I am prepared to accept the correctness of this submission without deciding it. On its own case the question whether the plaintiff has copyright in the screen image depends upon an antecedent point: whether that image or display falls within the definition of original literary or artistic work. If it does not the plaintiff's case fails at the outset.
- [93] As one looks at exhibit 3 one sees a considerable amount of information arranged logically by line and column, some of which is coloured to emphasise important information and some of which is coloured to assist in the operation of the program by providing a field on which to place the cursor and click. Colour and function are closely interrelated.
- [94] It is important, I think, that the information displayed on the screen is constantly changing and is not the product of the plaintiff's work. What the plaintiff's program does is display the telecast BettorData in a comprehensible form. The data comes, moment by moment, from the TABs *via* Seven Network. The relevant information changes as bets are placed, dividend pools increase and betting patterns emerge. This is the function of the program: displaying the BettorData for the assistance of punters.
- [95] The plaintiff's 'work', however categorised, is not the information, or BettorData, which appears on the screen display, but the framework in which it is displayed and organised. That is to say the 'work' consists of the lines, columns and colours which serve to confine the various categories of information. The colours readily identify the TABs and allow one to be selected by a function of the program.
- [96] When one looks at the screen display one has to imagine it as blank save for the vertical lines which demarcate the columns, the two horizontal lines which form the column headings, and the coloured background for the TAB columns. It would look like this:

#Runners	NSW		Qld		Vic		Victoria Win Pool	
	Win	Pic	Win	Pic	Win	Pic		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
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21								
22								
23								
24								

- [97] Section 10 of the Act provides that a literary work includes a written table or compilation. The plaintiff submits that the screen display is a compilation of the information contained in it. It relies, for authority, on *Mirror Newspapers Ltd v Queensland Newspapers Pty Ltd* [1982] Qd R 305. In that case the plaintiff newspaper successfully claimed copyright in a series of bingo cards it published each week. Connolly J described them (308):

‘What is expressed in writing here is a sequence of numbers of a chosen length, from the series 1 to 100, capable of being applied to cards already in the hands of the players so as to result in the progressive cancellation of those cards. Not only the identity of the numbers but their sequence are essential features of the list ...’.

His Honour relied upon the judgment of Petersen J in *University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch 601 at 608:

‘... Many things which had no pretensions to literary style acquired copyright; for example, a list of registered bills of sale, a list of foxhounds and hunting days, and trade catalogues; ... the words “literary work” cover work which is expressed in print or writing, irrespective of the question whether the quality or style is high. The word “literary” seems to be used in a sense somewhat similar to the use of the word “literature” in political or electioneering literature and refers to written or printed matter.’

His Honour referred also to the judgment of Street CJ in eq in *Real Estate Institute of NSW v Wood* (1923) 23 SR (NSW) 349 at 352 in which the Chief Judge posed the question:

‘Whether the work in question, ... a compilation, supplied intelligible information and whether mental effort and industry were required for its preparation.’

[98] In my opinion the framework, including column headings, devised by the plaintiff for the display of the BettorData is neither a table nor a compilation. It does not contain intelligible information. It has no content. It is no more than a series of rectangles, or ‘boxes’, some coloured, in which the BettorData can be displayed for ease of comprehension.

[99] Even if the framework were considered a compilation or table, it is not sufficiently original to qualify for protection under s 32 of the Act. To be original the work, the expression of the author’s idea, must represent some independent application of knowledge, judgment, skill or labour. In a case involving football betting coupons, *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 WLR 273, in which Lord Reid (277-8) having noted that what is required is not an expression in some original or novel form but that the work in question must not be copied from other work, but must originate from the author, said:

‘And it is not disputed that, as regards compilation, originality is a matter of degree depending on the amount of skill, judgment or labour that has been involved in making the compilation.’

Lord Evershed said (281):

‘When you take one of these coupons in your hand and look at it, the right conclusion is ... that it falls sensibly and properly within the definition of an original literary compilation. ... The ... coupon is in truth a compilation in writing which is distinctive and original. True it is that a great amount of work is devoted to calculating the odds ... When all the hard work has been done in deciding upon the wagers to be offered, there still remains the further distinct task, requiring considerable skill, labour and judgment ... in the way in which the chosen wagers are expressed and presented to the eye of the customer.’

Lord Hodgson noted (285):

‘... Commonplace matter put together or arranged without the exercise of more than negligible work, labour and skill in making the selection would not be entitled to copyright.’

Lord Devlin said (289):

‘The requirement of originality means that the product must originate from the author in the sense that it is the result of a substantial degree of skill, industry or experience employed by him.’

[100] Lord Atkinson, speaking for the Privy Council, in *McMillan & Co Ltd v K & J Cooper* (1924) 93 LJPC 113 said at 121:

‘What is the precise amount of the knowledge, labour, judgment or literary skill or taste which the author of any book or other compilation must bestow upon its composition in order to acquire copyright ... cannot be defined in precise terms. In every case it must depend largely on the special facts of that case, and must in each case be very much a question of degree ...’.

- [101] Not all compilations have attracted copyright. In *Smiths Newspapers Ltd v The Labour Daily* (1925) SR (NSW) 593 the plaintiff newspaper published every Tuesday its journalist’s tips for the Wednesday races. It did so in a form which identified the racecourse and the horses thought likely to win each of the races. The defendant newspaper published tips for the Wednesday racing which had appeared in other newspapers, including the plaintiff’s. Harvey CJ in Eq rejected the claim for copyright noting that the ‘literary composition or work has been reduced to a minimum’ (596) and that (597):

‘Literary work imports something more than mere penmanship; and it is ... impossible to hold that the writing of a dozen horses names one after the other ... is a literary work in any sense ...’.

- [102] In *Odham’s Press Ltd v London and Provincial Sporting Newsagency* (1929), Ltd [1935] 1 Ch 672 the starting prices or final betting odds of horses recorded by two journalists employed by the plaintiff as a result of their inquiries and investigations of bookmakers, punters, ‘blowers’ and others was denied the protection of copyright.

- [103] In *Victoria Park Racing and Recreation Grounds Co Ltd v Taylor* (1937) 58 CLR 479 a list of names and numbers of the starting horses, and scratched horses, and the numbers of the winners written on notice boards at the racecourse likewise did not attract the protection of the law of copyright. Latham CJ said (498):

‘The law of copyright does not operate to give any person an exclusive right to state or to describe particular facts. A person cannot by first announcing that a man fell off a bus or that a particular horse won a race prevent other people from stating those facts. ... What the law of copyright protects is some originality in the expression of thought.’

Dixon J said (511):

‘I am ... quite unable to suppose that, when the names of the starters, their positions, jockeys and so on are exhibited before a race, doing so amounts to publishing a literary work which becomes the subject of copyright. No doubt the expression “literary work” includes compilation. ... But some original result must be produced. This does not mean that new or inventive ideas must be contributed. The work need show no literary or other skill or judgment. But it must originate with the author and be more than a copy of other material. The material for the board consists in the actual allotment of places and other arrangements made by the plaintiff company’s officers in respect to the horses. To fit in on the notice board the names and

figures which will display this information for a short time does not appear to me to make an original literary work.’

[104] Thomas J pointed out in *Kalamazoo Pty Ltd v Compact Business Systems Pty Ltd* [1990] 1 Qd R 231 at 253 that:

‘... Copyright is not available to forms of expression dictated solely by functional considerations, such as words which are merely part of an apparatus.’

The authorities referred to by his Honour are instructive. *Hollinrake v Trusswell* [1894] 3 Ch 420 was a case in which the plaintiff claimed copyright in a cardboard pattern sleeve, for use by dressmakers, containing on it scales, figures and descriptive words for adapting it to sleeves of any dimension. Lord Herschell said (44):

‘... What the plaintiff has sought to protect ... is not a literary production, but an apparatus for the use of which certain words and figures must necessarily be inscribed upon it. ... The protection of copyright may be obtained for works which cannot be said, in the ordinary sense of the term, to have literary merit. Compilations, such as the Post Office Directory, have, ... been held to be the subject of copyright; but there is ... a marked distinction between these and the claim of protection ... for words and figures inscribed on and necessarily forming part of an apparatus or tool.’

Lindley LJ said (46):

‘The character of what is published is the test of copyright. If what is published is not separately published, is not a publication complete in itself, but is only a direction on a tool or machine, to be understood and used with it, such direction cannot ... be severed from the tool or machine of which it is really part, and cannot be monopolised by its inventor under the Copyright Act.’

Davey LJ said (428):

‘Now, a literary work is intended to afford either information and instruction, or pleasure, in the form of literary enjoyment. The sleeve chart before us gives no information nor instruction. It does not add to the stock of human knowledge or give, and is not designed to give, any instruction by way of description or otherwise It is a representation of the shape of a ... sleeve designed for a lady’s arm, with certain scales for measurements upon it. It is intended, not for the purpose of giving information or pleasure, but for a practical use in the art of dressmaking. It is ... a ... contrivance ... for the better enabling a dressmaker to make her measurements’

[105] Copyright was refused to a card index system to be used by employers in complying with the (English) *National Health Insurance Act*. The system was simple: cards of different colours containing elementary headings such as name and address were kept in a box. Warrington J found insufficient originality. See *Libraco (Ltd) v Shaw Walker (Ltd)* (1913) 30 TLR 22. In an older case, *Page v Wisden* (1869)

20 LT (NS) 435 a cricket scoring sheet was denied copyright, Malins VC thinking that it was ‘absurd’, ‘to say that a particular mode of ruling a book constituted an object for ... copyright.’

- [106] In *Kalamazoo* itself a series of forms to be used in conjunction with others and arranged on a peg board were held to be a literary work protected by copyright, but that case has been politely criticised by Professor Ricketson as an extreme example of a compilation (para 7.140) and equally politely doubted by Pumfrey J in *Navataire* (151). In any event *Kalamazoo* involved a series of forms, each designed for a specific accounting purpose and the interrelation of the forms involved a degree of effort to design.
- [107] Mr Bowden, who appeared for the plaintiff, submitted that *Milwell Pty Ltd v Olympic Amusements Pty Ltd* (1998) 161 ALR 302 supported his case. There, however, the table of prizes which was published in connection with computer-based card games, which the respondent compiled and the appellant copied, was the result of extensive work done by a university mathematician. The compilation required extensive analysis of the probabilities at which certain combinations of cards would appear. The work was clearly original.
- [108] The plaintiff by late amendment alleged that the screen display was an artistic work. This relevantly means:
- ‘(a) A painting, sculpture, drawing, engraving or photograph, whether the work is of artistic quality or not;
 - (b) A building or a model of a building ...
 - (c) A work of artistic craftsmanship ...’.
- [109] Of these categories the only possibility is that the work is a drawing. It is not a work of artistic craftsmanship because it is not objectively a work which appeals to the aesthetic senses (see *Coogi Australia Pty Ltd v Hysport International Pty Ltd* (1998) 41 IPR 593), nor can it be thought that Mr Rees and/or Mr Scott intended to produce such a work when they designed the framework. (See *Cuisenaire v Reed* [1963] VR 719.)
- [110] It is probably a drawing consisting of intersecting horizontal and vertical lines producing rectangles, some of which are coloured. Again, however, I cannot accept that the work is original in the sense required by the Act.
- [111] This case is concerned with one very simple format, nine columns the content of which is dictated by the subject matter of the BettorData and the function of the computer program. Given that one reads a page from left to right the order in which the columns are arranged is fixed by the purpose or function of the program. To be intelligible the data must be displayed in the order of: 1. Horses 2. TAB pools 3. *Quantum* of bets. The only scope for originality is in the respective placing of the three TAB pools and their colours. The framework is one of such simplicity and compelled by the function of the program as not to satisfy the admittedly easy test of originality.
- [112] Conceptually the case is similar to *Hollinrake*. There are in the plaintiff’s drawing, or framework as I have called it, no words or figures as there were in *Hollinrake* but

it can equally truly be said of the lines and colours that they necessarily form part of the computer program, the ‘apparatus or tool’. To paraphrase the words of Lindley LJ, the drawing is a direction on a machine to be understood and used with it. It is, as Davey LJ said, ‘intended not for ... giving information or pleasure, but for a practical use ...’.

- [113] The particular colours of the screen display were chosen by Mr Rees, and copied by the first defendant. But colours were chosen in order to improve the functionality of the program. By clicking on the dark or light shade of colour in each of the three TAB columns one chooses what TAB pool is displayed in the large rectangle. Similarly colours highlight changes in odds in that rectangle. The choice of colour is merely incidental to the function, and is part of it. The choice of colour did not involve such a degree of effort or deliberation as to make the drawing an original work.
- [114] Exhibit 3 is in many respect misleading. It was referred to during the trial as ‘the plaintiff’s program’. Of course it is no such thing although that was a convenient appellation to direct attention to the topics which were the subject of evidence. The exhibit is a record in paper form of a screen display at one instant in time. What the plaintiff’s program produced was a constantly changing display presented within the framework provided by the horizontal and vertical lines and colours, or coloured and plain rectangles, whichever description one prefers. When considering whether there is an original literary or artistic work one has to imagine exhibit 3 as it appears in paragraph 96 of the reasons, devoid of all names and numerals save for the list of numbers, 1-24, in the first column and the designations of each of the three TAB columns. Everything else is a function of the program and the telecast of the BettorData which, while information, is not a compilation, or any other work, which the plaintiff made.
- [115] I have not forgotten the aphorism that ‘what is worth copying is *prima facie* worth protecting’. There is no doubt that the first defendant has reproduced the plaintiff’s framework, even to the extent of replicating Mr Rees’ choice of colour but he did not do so by copying the plaintiff’s computer program. I also do not overlook the fact that Mr Rees and Mr Scott expended considerable thought, ingenuity and industry in their design of the specification for the program and the program itself. But as Pumfrey J pointed out, it is not that labour which is protected by copyright.
- [116] Accordingly the claim for copyright in the screen display has not been made out. The plaintiff is, however, entitled to damages and an injunction for the infringement of its manual. The first defendant wrote his manual from the plaintiff’s. Exhibits 7 and 8 are respectively a copy of the plaintiff’s manual and the defendant’s in which the words common to both have been highlighted. There is almost nothing in the defendant’s manual which does not have its provenance in the plaintiff’s. It is as clear a case of infringement of copyright as one could see.
- [117] The purpose of an award of damages for infringement of copyright is to compensate copyright owners for the loss suffered by reason of the defendant’s infringement. See *Interfirm Comparison (Australia) Pty Ltd v Law Society of New South Wales* (1975) 6 ALR 445 at 446-7. This is, of course, a general proposition and the appropriate measure of damages will depend upon the particular circumstances of each case. In this case the appropriate measure is the loss of sales suffered by the plaintiff. It and first defendant were direct competitors. The plaintiff was replaced

by the supplier of the manuals (and programs) to Transvision by the joint approach of the defendants who offered their infringing manual and replicated program at a reduced price. It is beyond doubt that Transvision would not have accepted supplies of the program from the defendants without a manual. Had the defendants not supplied manuals and computer programs to Transvision that company would have continued doing business with the plaintiff. Despite some disagreements of a personal and financial kind between Mr Rees and one of the Transvision directors the sale of the programs was a very profitable business and there is no reason to think that Transvision would not have wished to continue it, buying from the plaintiff, if it had not been for the defendants' approach. See *Pryor v Landsdown Press Pty Ltd* [1977] VR 65 at 70 and *Australasian Performing Rights Association v Grebo Trading Co Pty Ltd* (1978) 23 ACTR 30.

- [118] The claim for damages was supported by the evidence of Mr Williams, a chartered accountant, who based his estimation upon the documents disclosed by the first defendant. The assumption underlying his report is that had the first defendant not replicated the plaintiff's computer program and not copied its manual it would not have sold its program and manual because, *ex hypothesi*, it would have had nothing to sell. That assumption is, I think, made out on the evidence. The first defendant did not produce his own manual nor did he attempt to design his own racing program. One can safely assume that he would have done so if he thought he had a capacity to do so. Accordingly but for the copying and replication the first defendant would have made no sales.
- [119] Mr Williams' next assumption was that had the first defendant not been a supplier those in the market for computer racing programs would have bought the plaintiff's.
- [120] There is perhaps a question mark over this assumption. There is evidence that there were other racing programs available for sale though the plaintiff's was regarded as the best. It was the first to analyse 'live' data and present it in a comprehensible form. It was also the first to highlight the shortening of odds indicating the placement of 'smart money'. The evidence showed the existence of another racing program which worked on an altogether different basis. There was some evidence of programs similar to the plaintiff's. There is no evidence of what the plaintiff's market share for computer racing programs was at any time or any proper description of its competitors' programs.
- [121] It is, I think, clear that had the first defendant not copied the plaintiff's manual and sold the copy with his computer programs, he would have made no sales. It does not, however, follow that the plaintiff would have made all the sales which the first defendant made. The plaintiff sold only through an intermediary. The first defendant sold his programs and manuals to ARD which on-sold some itself and sold some to Transvision. As well Mr Rotondo had an agreement with the second defendant by which if a set number of sales was not made each month Mr Rotondo could himself effect sales to members of the public. There is therefore a distinct possibility that the supplier to whom the plaintiff sold, and the plaintiff, would not have made as many sales as the combined effort of the defendants achieved.
- [122] Mr Williams calculated the number of computer programs sold by the first defendant by reference to the number of decoding machines he bought. The only purpose of acquiring these machines was to supply them to buyers of the program to enable them to decode the BettorData. Information relating to the number of sales

and the date of the sales of the decoding machines was provided by the first defendant in his disclosed documents. Mr Williams assumed that had the plaintiff made each of those sales indicated by the purchase of a decoding machine he would have sold its computer program for \$1,700 including GST. As well as that the plaintiff would have received the quarterly licence fees from each purchaser. The plaintiff charged \$165 per month. Mr Williams assessed income from this source at \$99 per month including GST. The reduction is explained by the fact that the plaintiff offered a discount to customers who paid annually in advance. Mr Williams assumed that every customer would have adopted that option. He also assumed that the service contracts would not have been renewed after 12 months, thereby restricting that source of income. The cost to the first defendant of acquiring the decoding machine has also been deducted to arrive at the profit for the sales of the program and the year's service fee.

[123] The computation appears in schedule 1 to Mr Williams report, exhibit 21. It shows that for the period May 2002 to December 2004 the loss to the plaintiff was \$953,590. The assumptions underlying the estimation are conservative. They are:

- No purchaser paid the licence or service fee for more than 12 months.
- The programs were sold for \$1,700 including GST when the evidence was that they were sold for between \$1,800 and \$2,000.
- That the first defendant made no sales subsequent to December 2004. That was the latest date for which documents were disclosed by the first defendant. There was evidence that he has continued to have an interest in selling computer racing programs.

[124] The plaintiff's damages have to be estimated. There cannot be a definite calculation. Some reduction should be made to allow for the fact that not all the sales the first defendant made would have gone to the plaintiff but for his misuse of the plaintiff's materials. The discount should not be substantial because of the conservatism in Mr Williams' estimation.

[125] The first defendant's only response to this aspect of the claim was to tender his tax returns which indicated that he represented to the Commissioner of Taxation that his business was barely profitable. Mr Rotondo did not take serious issue with Mr Williams' methodology or facts on which he based his computation. There are obvious reasons why one would not accept Mr Rotondo tax returns as indicating the true level of income earned from the sale of the computer programs. He may have had expenses, legitimate or exaggerated, which reduced his taxable income in the years in question. There is no doubt that he had sources of income other than the sale of computer programs and may have had substantial expenses with respect to that income. Without some examination of the tax returns, which did not occur, I would not be prepared to take them at face value. In any event it is obvious that the first defendant's profits are not the same as the plaintiff's losses occasioned by the first defendant's infringement of its copyright.

- [126] I regard Mr Williams' estimation as the best guide to the assessment of damages. I would reduce his estimate by 20 per cent to allow for the contingency I have mentioned. I reduce it by no more because of the conservative approach Mr Williams adopted. The reduction yields a figure of \$762,870. I will round it down to \$760,000.
- [127] The damages are payable with respect to the infringement of the plaintiff's copyright in its manual despite its not making out its case to infringement of copyright in its screen display. I reach this conclusion because it is apparent that to sell the computer programs the first defendant had also to sell the operating manual. One without the other would have been useless. It is not reasonable to think that any punter would pay upwards of \$6,000 for a computer program without a manual to teach him how to use it and place successful bets with it.
- [128] I give judgment for the plaintiff against the first defendant for \$760,000 together with interest at 9 per cent from 1 July 2002 to the date of judgment. I order that the first defendant by himself, servants or agents be restrained from reproducing, whether in electronic or paper form, or selling copies of the plaintiff's operating manual, a copy of which was exhibit 7 in these proceedings.

Attachment 1

Protection of screen displays

9.43 The Committee's conclusion that the 'look and feel' of computer programs amounts to behaviour and as such should not be protected by copyright in the program, and its view that such copyright should not extend to the 'look and feel', does not dispose of the question of what protection, if any, should be afforded to screen displays.

9.44 Submissions received by the Committee prior to the Draft Report concerning look and feel did not canvass the issue of the protection of screen displays in any detail. Nor did they propose any special form of protection. In the Draft Report the Committee commented that it understood that most screen displays are not stored in computer memory. Screen displays may be generated either by retrieving data stored in some form of machine memory or generated using a computer program. (The Committee has noted the subsequent submission by IBM that screen displays are stored in computer memory). Which of either of these two categories a particular screen display falls into will depend on the nature of what is being displayed, and in some cases, the nature of the program being used. Screen displays generated by a computer program can be characterised as part of the program's behaviour. The question which arises in this context is whether this particular form of program behaviour should be protected. The issues concerning the protection of these types of screen displays are different to those that apply where the screen display is generated by the retrieval of a work that is stored in computer memory. In respect of such displays the issue of protection is relatively straight forward. Where copyright subsists in the work that is being displayed, the unauthorised copying of the screen display of the work will infringe copyright in the work.

9.45 However, the protection of screen displays that are generated by computer programs is less certain. There is some doubt as to whether screen displays generated by a computer program would fall within the definition of an artistic work in s.10(1) of the Act. It is arguable that they do not come within the ordinary meaning for the words 'painting' or 'drawing' used in the definition. There must also be doubt that artistic copyright could subsist in such display alone, for it to do so the display must have been 'made' (s.32) and making requires reduction to a material form (s.22(1)). As has already been noted, the definition of 'material form' in s.10(1) which is inclusive not exhaustive, requires a form of storage, and the ephemeral nature of computer-generated screen displays would appear to fail to satisfy this requirement. Furthermore, it is unlikely that such screen displays are protected as cinematograph films because the definition of a cinematograph film in s.10(1) proves, in part, that:

'cinematograph film' means the aggregate of the visual images embodied in an article or thing ...

Accordingly, where the visual images that make up the screen display are not stored in computer memory, the requirement under the definition that visual images be *embodied* in an article or thin would not appear to be met.

9.46 The Committee notes that in the US, under its Copyright Act 1976 limited recognition of the special nature of screen displays appears to have been afforded by their treatment as 'audio-visual works' which are entitled to copyright protection (s.102(a)(6)). Nonetheless, protection of screen displays in the US is not automatic and

as IBM indicated in its October 1993 submission, the courts in the US have not been unanimous in their response to whether screen displays are a separate work entitled to protection. IBM noted that the US Register of Copyright's view in his June 1988 decision was that a computer program together, with its screen display, was a single work and should therefore be given a single registration (Registration and Deposit of Computer Screen Displays, 53 Fed. Reg. 21 817, 21 819 (1988)). This decision is reflected in the US Copyright Office's Circular No 61 (last revised in November 1993) which sets out the requirements for registration of computer programs and indicates that a single registration application for a computer program will 'cover any copyrightable authorship contained in the computer program and screen displays'.

9.47 In the Draft Report the Committee invited submissions on the need for a similar form of protection for screen displays in Australia. The Committee received 12 submissions that addressed this issue but the views were divided in their response on this issue, though those in favour of some form of protection were in the majority. However, Oracle Systems (Australia) Pty Ltd (Oracle) and the Law Council of Australia (LCA) were clearly opposed to a form of protection arising independently of protection for the computer program. The LCA submitted that copyright protection of a screen display would give de facto protection to 'look and feel'. This coincides with the Committee's view that some displays are an aspect of the program's behaviour. Two concerns expressed in other submissions were that any independent protection for a screen display not be greater than for the underlying program (SISA) and that new areas of artistic expression not be excluded arbitrarily from copyright protection, such as multimedia screen displays (ACC and Australian Pay TV Pty Limited (APTV)).

9.48 Having considered these submissions and in light of the discussion in paragraphs 9.44-0.45 the Committee has decided not to recommend any additional form of protection for screen displays (Recommendation 2.10).

Design protection for screen displays

9.49 It remains to be noted that Sun Microsystems suggested that, to avoid blatant copying, protection should be afforded under the law of registered designs to the screen displays generated by programs. However, as mentioned in paragraph 4.16, a recent application for the registration of an icon as a design was rejected by the Registrar of Designs, on the grounds that the icon was not capable of distinguishing the computer screen because the image was transitory (*Re Applications by Comshare Inc.* (1991) 23 IPR 145). A majority of the Committee shares the view that it is reasonable to reject such an application because an icon or small picture on the screen does not distinguish a physical object like a computer screen as it is not always displayed on the computer screen. However, a majority of the Committee notes that such an icon or even a complete screen display can adequately distinguish a computer program because the program can be so written that the icon is always on the screen when the program is in use. A majority of the Committee assumes that insofar as an icon produced by a program is a registered trade mark, appropriate protection as such would be provided for under the *Trade Marks Act 1955*.

9.50 The Committee notes that the decision of the Registrar of Designs brings into question whether computer generated screen displays can ever qualify for registration under the *Designs Act 1906*. In the Draft Report the Committee also noted that the *Designs Act 1906* is under wholesale review by the Law Reform Commission. Since the Committee released its Draft Report, the Law Reform Commission has released a

Discussion Paper on Designs which proposes some changes to the existing legislation, including the definition of 'design' (Discussion Paper 58, August 1994). The issue of possible design protection for screen displays is not mentioned in the Discussion Paper. However, the Discussion Paper proposes a new definition of 'design' which removes the reference to 'applicable to an article' and is instead more broadly defined as:

The appearance of a product [being any manufactured thing], as perceived visually, constitutes a design and a new definition of manufactured thing as:

A thing is a manufactured thing whether it has been made wholly by the use of machinery, partly by the use of machinery and partly by hand, or wholly by hand.

It would appear from the above definitions that a computer program would fall within the broad definition of a manufactured thin. However, it is questionable whether a screen display would correctly be regarded as the appearance of the computer program. As stage above it is a manifestation of the program's behaviour. (If a computer program has any appearance it would seem to be the source code and that is already protected by copyright). Regardless of how the above definitions may be interpreted the Committee is of the view that designs protection is an appropriate way to protect screen displays.