

*Calidad Pty Ltd v Seiko Epson Corporation (No 2)* [2019] FCAFC 168

FEDERAL COURT OF AUSTRALIA

GREENWOOD, JAGOT AND YATES JJ

**THE COURT:**

**INTRODUCTION**

1 On 5 July 2019, orders were made that the appeal in this matter be dismissed and that the cross-  
appeal be allowed. Orders were also made to the effect that agreed or, if it be the case,  
competing, draft orders, otherwise reflecting the respective reasons for judgment, be filed.

2 As events have transpired, the parties have been unable to agree on the appropriate additional  
orders to be made. They have proposed competing draft orders and provided written  
submissions in support of their respective positions. The parties are content to rely on their  
written submissions without the need for oral argument on this particular question.

3 The parties (who, for convenience, we will simply refer to as **Calidad** and **Seiko**) have  
identified three significant matters in dispute concerning the form of the additional orders.

**THE FORM OF DECLARATORY RELIEF**

4 The first matter in dispute is the appropriate form of declaratory relief. Calidad accepts that  
declaratory relief is appropriate. This acceptance is justified given our respective findings  
(which were contrary to the primary judge’s findings) that the cartridges in categories 1, 2, 3,  
and A (referred to by the primary judge as **Calidad’s current products**) infringe claim 1 of  
Patent No 2009233643 and claim 1 of Patent No 2013219239. The only matter in dispute is  
whether the Court should declare that these particular infringements occurred “since April  
2016”.

5 Calidad submits that this qualification is appropriate because the primary judge held that none  
of these cartridges were sold before April 2016. In support of this submission, Calidad relies  
on a table found at [73] of the primary judge’s reasons, which describes Calidad’s current  
products as “... all cartridges sold after April 2016”. There is a corresponding description of  
the cartridges in categories 4, 5, 6, 7 and B (referred to by the primary judge as **Calidad’s past  
range of products**) as “all cartridges sold before April 2016”.

6 These headings certainly support Calidad’s contention, but we are in some doubt that, by these headings alone, the primary judge was intending to make a finding that excludes the possibility that Calidad’s current products (or some subset of them) were not sold before April 2016 and that Calidad’s past range of products (or some subset of them) were not sold after April 2016.

7 Given this doubt, we see no compelling reason to specify any date range in the declaration itself. However, the categories themselves must be defined with appropriate specificity. Unfortunately, the description proposed by reference to Annexure A to the draft orders does not meet this requirement. We refer, in particular, to descriptions such as “some” Calidad cartridges and “5%” of certain Calidad cartridges. We will return to this question.

### **THE FORM OF INJUNCTIVE RELIEF**

8 The second matter in dispute is the form of the injunctive relief that should be granted. Seiko has proposed two injunctions.

9 The first injunction that Seiko proposes has two limbs. The first limb is directed to restraining the further exploitation, or authorisation of the further exploitation, of Calidad’s current products (referred to in the proposed order as **Further Infringing Cartridges**). The second limb (**Seiko’s second limb**) is directed to restraining the exploitation, or authorisation of the exploitation, of so-called **Materially Modified Cartridges**. Materially Modified Cartridges are cartridges “that have had one or more of the combinations of modifications set out in Annexure B to these Orders made to them”. Annexure B then sets out specific combinations of modifications. Each combination is assigned to a particular category of Calidad’s current products. The intent of the proposed injunction appears to be to impose a prohibition on Calidad from exploiting cartridges that have had an assigned combination of modifications (or some subset of those modifications) applied to them.

10 Seiko proposes the second limb because, in its submission, the Full Court should not grant an injunction that seeks to determine, exhaustively, what modifications do, and what modifications do not, result in an infringing product. Put another way, the injunction to be granted should not be in such limited form so as to suggest that anything other than the specific combination of modifications found to produce infringing cartridges will not be an infringement of the two patents.

11 The second injunction that Seiko proposes is an injunction in general form directed simply to restraining Calidad from infringing claim 1 of each patent.

12 As to the first limb of the first proposed injunction, Calidad accepts that it should be restrained from further exploiting, or authorising the further exploitation of, its current range of products. But it has made two broad responses to the balance of the injunctive relief that Seiko seeks.

13 Calidad's first response is to oppose the making of an injunction in general form and to propose a more limited form of injunction dealing with Materially Modified Cartridges (which Calidad wishes to call **Second Group Cartridges**). As to the latter, Calidad contends that Seiko's second limb should not be directed to cartridges modified by "*one or more* of the combinations of modifications set out in Annexure B to these Orders" but only to cartridges that "have had *the* combinations of modifications" set out in Annexure B applied to them.

14 Calidad submits that the more limited second limb it proposes is appropriate because it pays due regard to the findings made by the primary judge as to the modifications that were in fact made to the cartridges—a finding which we accepted. However, so far as we can see, the effect of Calidad's proposal is simply to confine Seiko's second limb concerning Second Group Cartridges to Calidad's current products, and thereby deprive that limb of any content beyond the restraint which Calidad already accepts should be made.

15 Calidad's second response is to propose a single injunction directed to restraining the further exploitation, or authorisation of the further exploitation, of its current products and "any other original, single use, Epson cartridges modified to enable reuse, by any person not licensed or authorised by the Respondents to do so, that are embodiments of claim 1 of the Patents". The apparent intent is to continue to oppose an injunction in general form but to meet Seiko's concerns about Calidad's future conduct, without entering into a debate about what modifications or combinations of modifications will result in infringing products.

16 Seiko's obvious concern is that if effective injunctive relief is not granted, and should Calidad, in the future, exploit Seiko's cartridges to which other modifications have been made, it will be exposed to the risk of having to sue Calidad again for infringement. Seiko provided the following theoretical examples to illustrate its contention:

- (a) Annexure B identifies the creation of the second hole to inject replacement ink into the cartridge. Seiko submits that Calidad could create a "random second hole", thus ensuring that the ink injection hole involves, in effect, the creation of a third hole.

- (b) Annexure B specifies the creation of a hole in the middle of the main side of the cartridge. Seiko submits that Calidad could create a hole in a different location.
- (c) Annexure B specifies the creation of a hole with a needle which is then used to inject replacement ink. Seiko submits that Calidad could create a hole with something other than a needle or with a needle other than the one used to inject ink.
- (d) Annexure B specifies the means by which the injection port is resealed and also that the outlet hole must be resealed by the same means. Seiko submits that Calidad could reseat the injection port or outlet hole by other means.
- (e) Annexure B specifies the means by which the gas membrane is resealed (glue). Seiko submits that Calidad could reseat the gas membrane by other means.

17 Seiko submits that, in each of these examples, Calidad might contend that it is not prohibited by a limited injunction from exploiting cartridges that have these alternative modifications when in fact, on Seiko's argument, each such alternative modification would nonetheless result in an infringing product. To meet this possibility, Seiko asks the Court to grant not only the injunction it seeks with respect to Materially Modified Cartridges but also an injunction in general form.

18 The difficulty we see with the injunction Seiko seeks with respect to Materially Modified Cartridges is that, in the form proposed, it assumes that any modification, within the range of possibilities contemplated by the proposed order, will result in an infringing product. This raises a theoretical question on which it is not appropriate for us to express any view. In fact, it is the very question which, in its submissions, Seiko says (correctly) we should not answer.

19 A further matter is that we see no utility in granting an injunction with respect to Materially Modified Cartridges if it is appropriate that an injunction in general form be granted in any event. It is to that question we now turn.

#### **WHETHER AN INJUNCTION IN GENERAL FORM IS APPROPRIATE**

20 In the context of patent infringement, an injunction "in general form" is one that simply restrains the infringer from further infringing the patent in suit (generally identified by its registration number). It therefore focuses on the patentee's statutory rights, rather than on the infringer's acts which have been found to infringe those statutory rights. The injunction sought here is:

During the term of each of the Patents, each Appellant/Cross-Respondent, by itself, its directors, officers, servants, agents or otherwise, be permanently restrained from infringing claim 1 of each of the Patents.

21 The Patents are identified as Australian Patent No. 2009233643 and Patent No. 2013219239.

22 Calidad resists such an injunction being made on the basis that there is authority in this Court to the effect that an order expressed in terms of a patentee's statutory monopoly is generally "not appropriate": *Christian v Société Des Produits Nestlé SA (No 2)* [2015] FCAFC 153; 327 ALR 630 (*Christian*) (a trade mark infringement case in which the Full Court was not persuaded that an injunction in general form should be granted against the infringer).

23 Having been satisfied that there was a risk that the infringer would infringe again, the Full Court said (at [181] – [183]):

181 Nevertheless, we are of the view that the proposed order, which merely repeats the prohibition in the Act, is not appropriate.

182 The Act already prohibits the use of a mark that is substantially identical, or deceptively similar, to a registered trade mark. Litigation ensues because parties do not agree on whether those conditions are met. To that extent, an injunction in the form requested by the Nestlé parties is uncertain and susceptible to subjective determination as to whether the order is complied with. For this reason we are not persuaded that making an order in these terms would ensure finality of litigation. Furthermore, it would add nothing to the existing legal position but would expose Mr Christian to the risk of being in contempt of court. While an injunction in the form of the proposed order can be made, the "practice of granting injunctions in a form which reproduces, with the risk of sanctions for contempt, that which an Act forbids is to be discouraged": *Universal Music Australia Pty Ltd v Sharman Networks Ltd* (2006) 150 FCR 110 at [40]–[42] (Branson J, Lindgren and Finkelstein JJ agreeing at [53] and [57] respectively). If Mr Christian were again to use a mark that was substantially identical or deceptively similar to the MUSASHI registered marks in contravention of the Act, it would of course be open to the Nestlé parties to seek appropriate orders under s 126 of the Act and, in particular, s 126(2), and indemnity costs of any such proceedings.

183 We take a different view, however, of the alternative order sought. For the reasons given above ... we accept that the alternative order is appropriate. It does not import the level of uncertainty or subjectivity inherent in an order directed to deceptive similarity. It is directed to Mr Christian's marks and would extend to immaterial variations to those marks.

24 These observations have led the authors of one of the leading texts on trade mark law in this country to opine that, in the case of trade mark infringement, granting an injunction in general form "should probably be regarded as inappropriate": Burrell R and Handler M, *Australian Trade Mark Law* (2nd ed, Oxford University Press Australia, 2016) at p 627.

25 We respectfully disagree with the proposition that, in the context of providing relief for either patent infringement or trade mark infringement, an injunction expressed in terms of a statutory monopoly is, as a matter of principle, “not appropriate”. First, this proposition is contrary to well-established authority and practice both here and in the United Kingdom. Secondly, in our respectful view, there is, on proper analysis, no sound reason why such an injunction should not be made in an appropriate case.

26 We commence by noting that a survey of the leading texts and cases in the United Kingdom demonstrates that, in fact, the “usual” or “conventional” form of injunction granted in patent infringement and trade mark infringement cases is the injunction in general form. The leading case is *Coflexip S.A. v Stolt Comex Seaway MS Ltd* [2001] RPC 9 (*Coflexip*). In that case (a patent infringement case) the trial judge refused to grant an injunction in the form of a general restraint by reference to the patentee’s statutory rights. Instead, the trial judge granted a limited form of injunction directed specifically to the infringer’s infringing conduct. The Court of Appeal was critical of the particular form in which the injunction was granted. The leading judgment was given by Aldous LJ (Chadwick and Buxton LJ agreeing) who said (at [18] – [20]):

18. When deciding what is the appropriate form of injunction in a patent action, it must be borne in mind that the injunction is being granted to prevent apprehended use of the patentees’ statutory monopoly, as defined in his claim. The decision as to form is taken against the background of the claim having been construed by the court as between the parties. That, of course, does not happen in other intellectual property cases. An injunction which just restrained breach of confidence would not be appropriate for many reasons, including because the extent of the confidential information would not have been determined. In passing-off cases a change of circumstance can alter the representation made and therefore the injunction normally sets out the act which is to be prevented, qualified by such words as “so as to pass-off”.
19. The judge seemed to believe that injunctions which restrained infringement of a patent were broad injunctions: but they equate to the statutory right given; a right which has been held to have been validly granted and infringed. The injunction granted by the judge would allow the defendant to do other acts even though they may infringe. The defendant in those circumstances would be better off in that a change from that which is described and shown in the process description would allow him to continue in business without having to seek guidance from the court before adopting the change. The advantage to the defendant of only having the injunction cover a particular article or process is clear. If he makes a change he will not be in breach and it will be up to the patentee to bring another action. However, the disadvantage to the patentee is equally clear. To obtain an injunction he has to establish his monopoly and that it has been infringed, and the judge must conclude that further infringement is apprehended. From his point of view, it is the infringer who should seek guidance from the court if he wishes to sail close to the wind. In

the normal course of events that would be reasonable.

20. The usual form of injunction which protects the right established by the patentee, with its ambit construed by the court, does in general provide a fair solution. However, each case must be determined on its own facts and the discretion exercised accordingly.

27 Cases in the United Kingdom since *Coflexip* have continued to adopt this approach with regard to injunctive relief granted in respect of both patent and trade mark infringements. We do not intend to provide an exhaustive list of these cases, but reference can be made, conveniently, to the discussions in *Sun Microsystems Inc v Amtech Computer Corp Ltd* [2006] FSR 35 at [27] – [46]; *Interflora Inc v Marks and Spencer plc (No 2)* [2014] FSR 2 at [14] – [30]; *Specsavers International Healthcare Ltd v Asda Stores Ltd (No 2)* [2012] FSR 20 at [8] – [17]; *Adaptive Spectrum and Signal Alignment, Inc v British Telecommunications plc* [2015] FSR 5 at [20]; and *Lifestyle Equities CV v Sportdirect.com Retail Limited* [2018] EWHC 962 (Ch) at [14] – [15]. These cases recognise that, exceptionally, and normally for reasons of proportionality, more limited relief might be appropriate in a given case. There is nothing unusual in that qualification. The important point, however, is that the “usual” or “conventional” form of injunction once infringement has been established is an injunction in general form. This is not to say that more limited forms of injunction should not be granted. Quite often an injunction in general form is granted with an injunction that is more limited—typically focusing on the particular acts that have been found to be infringing.

28 Customarily, the High Court of Australia has granted injunctions in general form in cases of patent infringement and trade mark infringement. We refer, in particular, to the following leading cases as examples of this practice: *Commonwealth Industrial Gases Ltd v MWA Holdings Pty Ltd* (1920) 180 CLR 160 at 171; *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 606, 622; *Colbeam Palmer Ltd v Stock Affiliates Pty Ltd* (1968) 122 CLR 25 at 48; *Interlego AG v Toltoys Pty Ltd* (1973) 130 CLR 461 at 489; *Minnesota Mining and Manufacturing Co v Beiersdorf (Australia) Ltd* (1980) 144 CLR 253 at 299; and *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd (No 2)* [2007] HCA 21; 235 CLR 173 at [174].

29 In *Welcome Real-Time SA v Catuity Inc (No 2)* [2001] FCA 785 (*Welcome*) (a patent infringement case), Heerey J (at [11]) noted that the “invariable practice” of the High Court was to “grant an injunction which simply restrained infringing the patent”. His Honour concluded that there was “no reason why an injunction in that straightforward form should not be adopted” in the case before him. At [9], his Honour observed:

9 In the course of the correspondence between the parties the respondents at one stage suggested that the injunction should only go to restrain infringing conduct of the kind considered at the trial. This position was not taken by senior counsel for the respondents at the hearing before me. I wish to make it clear that there is no basis for it. Particularly when the validity of the patent has been an issue, the patentee is entitled to an injunction restraining all infringement, and not just the particular form of infringement which was the subject of evidence at the trial. The point was dealt with very recently by the English Court of Appeal in *Coflexip SA v Stolt Comex Seaway MS Ltd* [2001] RPC 9...

30 In *Fei Yu trading as Jewels 4 Pools v Beadcrete Pty Ltd* [2014] FCAFC 117; 107 IPR 516 (a patent infringement case), the Full Court expressed agreement with Heerey J's approach in *Welcome* and (at [89]) acknowledged that, in the United Kingdom and Australia, "a patentee who establishes infringement will usually obtain the benefit of an order restraining infringement generally".

31 In *Apotex Pty Ltd v ICOS Corporation (No 4)* [2018] FCA 1316 (a patent infringement case), Besanko J (at [3]) recognised that the usual form of injunctive in an infringement suit is the injunction in general form. The order his Honour made was a combination of this form of injunction with a "second layer" of prohibitions, commencing with the words "... including, in particular, from engaging in any of the following acts ...".

32 More recently, in *Mitolo Wines Aust Pty Ltd v Vito Mitolo & Son Pty Ltd (No 2)* [2019] FCA 1140 (a trade mark infringement case), his Honour granted an injunction in general form in respect of the infringement of a registered trade mark. In that case, his Honour referred to the observations of the Full Court in *Christian* but, after noting that the High Court had upheld injunctions expressed in terms of an applicant's statutory monopoly in intellectual property cases, concluded (at [11]) that the Full Court should not be taken as saying that such an order can never be made.

33 In *K-Aire Pty Ltd v Polyaire Pty Ltd* [2003] SASC 41 (a design infringement case) the court at first instance declined to grant an injunction in general form on the basis that such relief was "very wide": at [77]. On appeal to this Court, the Full Court referred to the decision to refuse an injunction in general form as "controversial", although the form of the injunctive relief that had been granted did not fall for resolution in the appeal: *K-Aire Pty Ltd v Polyaire Pty Ltd* [2007] FCAFC 192; 74 IPR 460 (*K-Aire*) at [11].



34 In *Hunter Pacific International Pty Ltd v Martec Pty Ltd (No 2)* [2016] FCA 1041 (another design infringement case), Nicholas J granted an injunction which included a restraint in general form.

35 In *Microsoft Corporation v Marks (No 1)* (1996) 69 FCR 117 (a contempt case arising from copyright infringement) the following consent order had been made:

1. The Respondents and each of them ... be restrained from:
  - (a) reproducing or authorising the reproduction of the whole or a substantial part of any of the computer programs identified in Schedule 'A' of the Statement of Claim ...

36 It can be seen that this injunction was in general form with respect to the reproduction right and to authorisation. In an appeal arising from the dismissal of the contempt charge, the Full Court was critical of the injunction in this form because of its uncertainty of operation. Importantly, however, the uncertainty did not lie in the fact that the injunction was granted in general form, but arose because it did not address the question of the consent or licence of the copyright owner in circumstances where, at trial, the alleged contemnor had put in issue the question whether the copyright owner had consented to the acts said to constitute the contempt.

37 In *Universal Music Australia Pty Ltd v Sharman Networks Ltd* [2006] FCAFC 41; 150 FCR 110 (*Universal Music*) (another contempt case arising from copyright infringement), the terms of the following injunction arose for consideration:

The infringing respondents be restrained ... from authorising Kazaa users to do in Australia any of the infringing acts, in relation to any sound recording of which any of the applicants is the copyright owner, without the licence of the relevant copyright owner.

38 The order defined “infringing acts” generically—namely, “making a copy of the sound recording” and “communicating the recording to the public” (two of the statutory rights under s 85(1) of the *Copyright Act 1968* (Cth) (the **Copyright Act**)) in respect of certain identified sound recordings. Once again, it can be seen that the injunction was in general form with respect to these statutory rights. In that case, the Full Court rejected the contention that the injunction was incapable of founding a charge of contempt because it was “drawn in terms which reproduce the requirements of [the Copyright Act] rather than in terms which proscribe particular conduct”: see at [49], [53] and [57]. Branson J (with whom Lindgren and Finkelstein JJ agreed) said (at [40] – [44]):

40. Nothing said above is intended to throw doubt on the validity of the following

observation made in *ICI Australia Operations Pty Limited v Trade Practices Commission* (1992) 38 FCR 248 (*'ICI v TPC'*) by Lockhart J, with whom in this regard Gummow J agreed and French J generally agreed, at 259:

*'Plainly injunctions should be granted in clear and unambiguous terms which leave no room for the persons to whom they are directed to wonder whether or not their future conduct falls within the scope or boundaries of the injunction. Contempt proceedings are not appropriate for the determination of questions of construction of the injunction or the aptness of the language in which they are framed ...'* (citations omitted)

41. However, as his Honour went on to observe in that case at 260:

*'The drafting of injunctions is ultimately a practical question. In some cases it presents no difficulties to the draftsman, but in others the exercise is far from easy.'*

42. There is Full Court authority for the proposition that any practice of granting injunctions in a form which reproduces, with the risk of sanctions for contempt, that which an Act forbids is to be discouraged (*Commodore Business Machines Pty Ltd v Trade Practices Commission* (1990) 92 ALR 563 (*'Commodore v TPC'*) at 574). Such a practice is to be particularly discouraged in respect of interlocutory injunctions lest contempt proceedings present for judicial determination the very issues to be determined at trial (see *Commodore v TPC* at 515 and Morgan per Barwick CJ at 489). However, the authorities do not support the proposition that an injunction which incorporates the terms of a statutory prohibition should never be made, or if made, cannot found a charge of contempt.
43. Indeed, there is UK authority, which I found persuasive in *Microsoft Corporation v Goodview Electronics Pty Ltd* (2000) 49 IPR 578, that injunctions should be granted in broad terms in cases of trade mark and copyright infringements where the defendants have shown themselves to be *'untrustworthy'* or *'dishonest'* (see *Coflexip SA v Stolt Comex Seaway MS Ltd* [1999] FSR 473 at 486 (this issue was not dealt with on appeal) and *Microsoft Corporation v Plato Technology Limited* [1999] FSR 834).
44. In *Welcome Real-Time SA v Catuity Inc (No 2)* (2001) AIPC 91,736 (*'Welcome Real-Time'*) Heerey J stated that in the context of patent infringement there was no basis for any suggestion that an injunction should only go to restrain conduct of the kind considered at trial. His Honour at [9] said:

*'Particularly when the validity of the patent has been an issue, the patentee is entitled to an injunction restraining all infringement, and not just the particular form of infringement which was the subject of evidence at the trial.'*

39 A number of these cases illustrate the practice of granting an injunction in general form (thereby restraining infringement of an owner's statutory rights) coupled with an injunction in specific form restraining the particular infringing acts that have been found.

40 The approach of this Court has not always been consistent on the question of the appropriateness of granting injunctions in general form to enforce intellectual property rights,

as the Full Court's stance in *Christian* demonstrates. For example, in *Solahart Industries Pty Ltd v Solar Shop Pty Limited (No 2)* [2011] FCA 780; 92 IPR 197 (*Solahart*) (a trade mark infringement case), Perram J declined to grant an injunction in general form. While acknowledging the practice of granting injunctions in general form in patent infringement cases, his Honour (at [11]) expressed the view that this is not a practice which is to be encouraged more broadly than is necessary. Indeed, his Honour stated that he did not accept that a general injunction against infringing was appropriate. In reaching this view, his Honour distinguished patent infringement cases from trade mark infringement cases on the basis that:

The careful parsing of the claims made in patents litigation is far more closely involved in a dissection of what the patent means than that which takes place in a trade mark suit.

41 In reaching his conclusion, his Honour also noted that, in *Coflexip*, Aldous LJ (at [18]) distinguished certain other intellectual property rights from patent rights—specifically, breaches of confidence and passing off—as, generally, not appropriate rights for the granting of injunctions in general form. It is to be noted, however, that Aldous LJ specifically did not refer, in that regard, to trade mark rights or other statutory rights.

42 In *QS Holdings Sarl v Paul's Retail Pty Ltd (No 2)* [2011] FCA 1038 (a trade mark and copyright infringement case), Kenny J accepted (on the basis of Aldous J's observations in *Coflexip* at [18]) that the considerations affecting the grant of injunctions in patent infringement cases are, to some extent, peculiar to those cases. Her Honour noted Perram J's remarks in *Solahart* (quoted at [39] above) but considered the circumstances of the case before her to be different from those considered by Perram J. Nonetheless, her Honour sought to confine the injunctions flowing from the trade mark infringements before her more narrowly than the successful applicants had proposed. However, we do not understand that, in doing so, her Honour was accepting that, in cases of trade mark infringement, it is generally not appropriate to grant an injunction in general form. Indeed, we would regard a number of injunctions granted by her Honour in respect of trade mark infringement to be in general form. As to the appropriate injunctive relief in respect of the copyright infringements, her Honour noted the observation in *Universal Music* that it may be permissible to incorporate the terms of a statutory prohibition in an injunction, and did so in respect of some of the copyrights her Honour found to have been infringed.

43 At this juncture, it is convenient to draw together a number of threads.

44 First, the course of authority to which we have referred does not support the proposition that, generally, an injunction in general form is not appropriate in cases involving the infringement of patent rights or trade mark rights or, indeed, a number of other intellectual property rights. To the contrary, the course of authority establishes, persuasively, that it is conventional for injunctions in general form to be granted.

45 Secondly, we do not accept that, when considering whether an injunction in general form should be granted, the infringement of patent rights is necessarily distinguishable from the infringement of other intellectual property rights. The issue is really the certainty of the restraint or prohibition that is to be imposed. In the case of statutory intellectual property rights created by systems of registration—such as patent, trade mark and design rights—that certainty is provided by the fact of registration. In general terms, it is a requirement that the monopoly claimed (and subsequently granted) be sufficiently and unambiguously defined, otherwise the right will not have been validly granted and may be liable to revocation. Further, in an infringement suit, the Court must necessarily construe the scope of the monopoly that is granted, whether that is by the words of a patent claim or the representation and accompanying description (if any) of a trade mark or a design. Thus, as between the parties to the infringement proceeding, the scope of the monopoly right cannot be in doubt and can provide the definition that is required for a prohibitory injunction in general form. The fact that there may be differing views as to whether particular acts are, in a given case, infringing or not, is not to the point.

46 In the case of other rights, there can be no real objection to an injunction in general form if the scope of the holder's rights is made clear by the injunction itself. As our survey of the cases shows, copyright infringement cases are a paradigm. We accept that confidential information cases and passing-off cases may stand in a different camp (as Aldous LJ's remarks in *Coflexip* at [18] recognise) although, even in a confidential information case, the prospect exists that, as between the parties, the information in question can be appropriately identified by the form of the injunction so as to warrant it being granted in general form. What cannot be countenanced is an injunction which simply restrains, in blanket terms, the infringer from using another person's "confidential information" without precise identification of that information.

47 Thirdly, nothing we have said is intended to suggest that questions of proportionality can be ignored when granting injunctive relief in intellectual property cases. In this regard, intellectual property cases do not stand outside other cases in which injunctive relief is sought and granted. We accept that the circumstances of a particular case may militate against an injunction in

general form being granted, but we do not accept that the considerations referred to in *Christian* warrant that outcome in the general run of cases.

48 In this connection, we have already discussed the question of the necessary certainty of the restraint or prohibition that is to be imposed. The other matters adverted to by the Full Court in *Christian* are the infringer's exposure to contempt proceedings; and the fact that, if need be, the holder of the intellectual property rights remains at liberty to commence further infringement proceedings (including for additional damages) if the infringer were to again infringe the same intellectual property rights, but not so as to be in contempt of the injunction that has been granted.

49 This approach effectively, but in our respectful view unjustifiably, elevates the position of the infringer over that of the holder of the rights in question. Where the infringer has already been found to have engaged in wrongful conduct, and is undoubtedly cognisant of the intellectual property rights in question, it is not unjust to expect that the infringer be the party at risk in respect of that person's future conduct and acts, not the party whose known rights have already been infringed and vindicated by the court's judgment. Thus, the imposition of an injunction in general form is not, in and of itself, an undue burden on the infringer. By the same token, the person whose intellectual property rights have been infringed should not be exposed to the risk of having to engage in continuing legal proceedings in order to vindicate, again, that person's established rights against an established infringer. It is not, with respect, a sufficient answer to say that the rights holder might have a claim for additional damages if further infringement be found. Further, if the established infringer is in any doubt about whether that person's future acts might infringe the intellectual property rights that have been established, or is concerned that those acts will be a matter of contention so far as the rights holder is concerned, then it is within the power of that person to seek appropriate declaratory relief. Relevant to the present case, for example, is s 125 of the *Patents Act 1990* (Cth) which specifically provides for the granting of non-infringement declarations. In other cases, recourse can be had to the Court's general power to grant declaratory relief under s 21 of the *Federal Court of Australia Act 1976* (Cth).

50 In the present case, we are satisfied that it is appropriate to grant the injunction in general form that Seiko seeks. In our view, to do so is consistent with precedent and principle. While the injunction proposed as Calidad's "second response" (see [15] above) is broader in form than Seiko's injunction concerning Materially Modified Cartridges (and certainly clearer, in some

respects, than that proposed injunction), we do not think it goes far enough, particularly when one contemplates the limitations that might be imposed by the description “original, single use, Epson cartridges”.

## **DISPOSITION**

51 The parties should now bring in agreed orders reflecting the following:

- (a) a declaration that identifies, with precision, those cartridges within categories 1, 2, 3, and A that are infringing cartridges;
- (b) an order for the delivery up of the cartridges in (a);
- (c) an injunction in general form restraining Calidad from infringing claim 1 of each patent in suit; and
- (d) an injunction directed specifically to the cartridges in (a).

52 As to the form of the injunctions in (c) and (d) above, it would be appropriate to propose a combined order in which the injunction in general form is followed by the injunction directed specifically to the cartridges in (a) above.

53 We note that the question of a stay, pending Calidad’s proposed application for special leave to appeal, has been dealt with separately.