

FEDERAL COURT OF AUSTRALIA

YATES J

YATES J:

1 The applicant is the owner of the following registered designs:

1. Design No. 312205 (**RD 1**);
2. Design No. 312206 (**RD 2**);
3. Design No. 319009 (**RD 3**);
4. Design No. 330158 (**RD 4**);
5. Design No. 330159 (**RD 5**); and
6. Design No. 328917 (**RD 6**).

2 Each design is registered in respect of a produce container.

3 The respondent sells three kinds of empty “clamshell” containers, which it calls:

- (a) “Taste Bomb” (**the Taste Bomb container**);
- (b) “Medley Mix” (**the Medley Mix container**); and
- (c) “Kumato” (**the Kumato container**).

4 Each of these is a produce container. The containers are purchased by fruit packers who pack them with fruit (specifically in this case, tomatoes) and on-sell the packed containers to retailers for ultimate sale to consumers. The respondent has also sold, but no longer sells, another clamshell container (**the first Kumato container**).

5 The applicant alleges that the respondent has, by reason of certain acts:

- (a) in relation to the Taste Bomb container, infringed RD 3 and RD 4;
- (b) in relation to the Medley Mix container, infringed RD 4; and
- (c) in relation to the Kumato container, infringed RD 6.

6 The applicant's claim in each case is that the design of the accused container is substantially similar in overall impression to the registered design or designs identified above: see s 71(1)(a) and (3), and s 19 of the *Designs Act 2003* (Cth) (**the Designs Act**). The respondent denies each claim.

7 Originally, the applicant alleged that the respondent had also infringed RD 1, RD 2, and RD 5. It no longer maintains those claims. RD 1 and RD 2 nevertheless remain relevant as prior art on which the respondent relies to limit the scope of the monopoly attaching to each of RD 3, RD 4, and RD 6. RD 5 no longer has a role to play in the proceeding.

8 The applicant is the patentee of Patent No. 2008100153 for an invention entitled "A produce container assembly" (**the first patent**) and Patent No. 2009100783 for an invention entitled "Improved produce container" (**the second patent**). Each patent is a certified innovation patent containing five claims.

9 The applicant alleges that the respondent has infringed each of the claims of the first patent. At the hearing, the acts of exploitation relied upon were the respondent's sale and supply of the first Kumato container. The respondent does not dispute that it has infringed the first patent. It says, however, that the applicant's claim for infringement cannot be maintained because it was resolved by contract. Although the respondent had pleaded an alternative defence based upon estoppel, it no longer presses that defence.

10 The applicant also alleges that the respondent has infringed each of the claims of the second patent. At the hearing, the acts of exploitation relied upon were the respondent's sale and supply of the Kumato container. As the matter came to be finally argued, the respondent does not dispute the acts relied upon or that the Kumato container possesses the essential features of each of claims 1 to 4 of the second patent. It does dispute, however, that the Kumato container possesses all the essential features of claim 5.

11 The respondent disputes the validity of each of claims 1 to 4 of the second patent and seeks the revocation of those claims. The only grounds of invalidity ultimately advanced at the hearing were that the invention, as claimed in each of those claims, is not a patentable invention because it is not novel and, separately, does not involve an innovative step, when compared with the relevant prior art base before the priority date of the claims: see s 138(3)(b) and s 18(1A)(b)

of the *Patents Act 1990* (Cth) (**the Patents Act**). No challenge to the validity of claim 5 of the second patent was pleaded.

12 I have concluded that: (a) the respondent has not infringed RD 3 or RD 4; (b) the respondent has infringed RD 6; (c) the applicant is not precluded from maintaining its claim against the respondent for infringement of the first patent; (d) the respondent has not infringed claims 1 to 4 of the second patent because those claims are not valid; and (e) the respondent has not infringed claim 5 of the second patent.

THE EVIDENCE

The lay witnesses

13 The applicant's Sales Manager, Ping Ching Tse, made two affidavits, which were read at the hearing. He was cross-examined.

14 In his first affidavit, Mr Tse gave evidence about the following matters: the nature of the applicant's business, including its dealings with one of its customers, Moraitis Pty Ltd (**Moraitis**) – a leading wholesale supplier of fruit and vegetables to supermarkets and other outlets in Australia; details of the first patent and of RD 1 to RD 5; the applicant's supply of its CJ-200H, CJ-200HA, CJ-250H, and CJ-250HA containers to Moraitis; the applicant's discovery of the respondent's supply of the first Kumato container to Moraitis, and the correspondence which followed with the respondent and its then solicitors; and the applicant's discovery of the respondent's supply of the Taste Bomb container to Moraitis. Certain paragraphs of this affidavit were admitted provisionally under s 57 of the *Evidence Act 1995* (Cth) (**the Evidence Act**). I am satisfied that the material in these paragraphs is relevant and should be admitted unconditionally.

15 In his second affidavit, Mr Tse gave evidence about the following matters: details of the second patent and RD 6; the applicant's exclusive supply of its CJ-200L container to CostaExchange Limited; the applicant's discovery of the respondent's supply and continuing supply of its Kumato container to Moraitis after Moraitis had requested that the applicant supply it with the CJ-200L container; the applicant's supply of its CJ-300M container to Moraitis and its discovery of the respondent's subsequent supply and continuing supply of the Medley Mix container to Moraitis; and the respondent's continuing supply of the Taste Bomb container.

- 16 The respondent's Managing Director, Robert Galombik, made one affidavit, which was read at the hearing. He was cross-examined. Mr Galombik gave evidence about the following matters: the nature of the respondent's business; the design requirements for containers used for packaging tomatoes; the containers produced for the respondent, including those produced for supply to Moraitis; the respondent's notice of the applicant's claims of infringement of the first patent and the correspondence which followed with the respondent and its then solicitors; the steps taken by the respondent as a consequence of this correspondence; certain alleged prior art; and the respondent's notice of the applicant's claims of infringement of its design rights. One paragraph of this affidavit was admitted provisionally under s 57 of the Evidence Act. I am satisfied that the material in this paragraph is relevant and should be admitted unconditionally.
- 17 The lay evidence makes clear that in 2009 the respondent approached Moraitis with a view to supplying it with produce containers. At a meeting in about June 2009 between Mr Galombik and a category manager at Moraitis, Mr Galombik was handed a sample of the applicant's CJ-200H container. Mr Tse's evidence was that the applicant had commenced to supply this container (represented by exhibit PCT-4) to Moraitis in around May 2009. Mr Galombik was asked whether the respondent could supply containers like the CJ-200H container. One of Moraitis' requirements was that the container have a heat transfer label, as opposed to a stick-on label.
- 18 In the period June to early December 2009, a manufacturer in China produced sample moulds, and then mass production moulds, for two containers for the respondent – the first Kumato container, and a precursor to the Medley Mix container. Production from the mould of this version of the Medley Mix container was never supplied to the respondent. However, production from the mould of the first Kumato container was supplied to the respondent and later supplied by the respondent to Moraitis.
- 19 On about 3 December 2009, Mr Galombik received a complaint from Moraitis that the first Kumato container was not closing securely and was popping open during transport. At an inspection of a packing facility in Queensland that was using various containers, including the first Kumato container, Mr Galombik was shown a container produced by Raptis (another packaging supplier in the Australian market) that had an "overlocking clip locking method" that, according to the packing shed manager, worked well on the machinery used at the facility.

Mr Galombik formed the belief that this would be the most reliable and efficient closure method. This particular method of closure is employed in each of the accused containers. The applicant's expert witness gave evidence that this form of closure was common to punnets in the food packaging industry.

20 In March 2010, the respondent received a letter of demand from the applicant's then patent attorneys. The letter alleged that the respondent had infringed the first patent. Mr Galombik assumed that the letter was referring to the applicant's supply of the first Kumato container. I will deal with this correspondence, and the steps taken by the respondent as a consequence of the demands made in it, in more detail below.

21 It seems that, at some time after receipt of this letter and before June 2010, the respondent redesigned the first Kumato container, and a mould had been created for the respondent's continued supply of containers to Moraitis. However, the respondent's Chinese manufacturer, who had manufactured the first Kumato container, ceased producing containers for it. The respondent therefore needed to find an alternative supplier.

22 Mr Galombik formed the view that "the only offending component" of the first Kumato container was "the vents at the rim of the punnet, which also operate as the mechanism to open the punnet and the closure mechanism".

23 In mid-June 2010, Mr Galombik had a meeting with the category manager at Moraitis with whom he had previously dealt. Mr Galombik informed him that, because of the applicant's claim, the respondent was no longer able to supply certain containers. Mr Galombik also said that the respondent had engaged another manufacturer. An arrangement was made that the respondent would supply Moraitis with another container which would be labelled in Australia.

24 At this meeting, the category manager handed another of the applicant's containers to Mr Galombik and asked whether the respondent "could do this punnet". Mr Galombik said that the closure on the container would need to be redesigned "to ensure that there are no further problems with the registered patent". This led to the respondent's development, and eventual production in China by another manufacturer, of the Kumato container.

25 The first shipment of the Kumato container was received by the respondent on about 2 February 2011. In the meantime, the respondent had redesigned the Medley Mix container. The first shipment of the Medley Mix container was received by the respondent on about 20 January 2011. Previously, on about 31 December 2010, the respondent had received its first shipment of the Taste Bomb container. Shortly after 2 February 2011, the respondent commenced to supply the accused containers to Moraitis.

The expert witnesses

Introduction

26 Each of the parties called an independent expert to give evidence in respect of particular aspects of the registered designs and the designs of the accused products. The applicant called Maurice Tabone who had been involved for a number of years in the food packaging industry including with Tacca Plastics Australia Pty Ltd and SCS Plastics Pty Ltd. Mr Tabone is also an inventor and designer of food packaging products. In 2002, he invented a tamper evident dual-lid feature for fruit and vegetable punnets for which a patent application was filed. His claimed invention is embodied in a 200 g grape tomato punnet that was sold through Coles and Woolworths stores. This container won an International Produce Marketing Association Award for Food Safety in 2007. Since 2007, he has continued to develop further improved tamper evident/safety seal inventions and designs, as well as other design features beneficial for use in fresh produce punnet packaging.

27 The respondent called Luciano Papi. Mr Papi has worked for over 28 years in polymer processing technologies and was the Manufacturing Manager at Sebel Furniture with responsibility for all research and development and processing of all plastic furniture. Since 1994, he has been involved in the design and development of polymer-based products in the injection moulding, rotor moulding, vacuum forming, and reaction moulding processes. He has wide experience in new product development from design through to manufacture. The projects with which he has been involved include products with medical and paramedical applications, automotive accessories, stadium seating, lighting and bathroom accessories, biomedical products, and batteries for electric cars and for two-way radios. He has received a number of design awards. He has also been a judge on the Engineering and Furniture panels of the Australian Design Awards. He is qualified as a mechanical engineer and holds a

postgraduate diploma in technology management from the Macquarie University Business School.

28 Mr Tabone's particular experience and background in relation to food packaging represent more closely the standard of the informed user. Mr Papi is obviously an engineer of wide experience, particularly in relation to the production of articles made from plastics materials. However, his experience was not specifically directed to the production of food packaging, even though it did extend to packaging involving engineering and design aspects common to food packaging and the packaging of other products in plastic materials.

29 That said, neither party challenged the qualification of the other party's expert witness to give, as admissible evidence, the opinions that each expressed. Each party did, however, criticise the evidence of the other party's expert including, in the case of the respondent, by way of a significant challenge to Mr Tabone's credit.

30 In addition to other expressions of opinion, each expert expressed an opinion on the ultimate question that arose in respect of each allegation of design infringement, namely, whether the design of each accused product was substantially similar in overall impression to any of the relevant registered designs: see s 80 of the Evidence Act; *Flexible Steel Lacing Company v Beltreco Ltd and Another* (2000) 49 IPR 331 at [168]-[171]. The experts conferred and produced a joint report which was tendered at the hearing. Although it was originally envisaged that the experts would give concurrent evidence, a decision was taken at the hearing to abandon that course. I am satisfied that that was the appropriate decision in all the circumstances. Each expert was cross-examined after discussing in evidence in chief various aspects of the registered designs and the designs of the accused containers specifically referred to in the joint report.

31 As a general observation, I found the evidence of the two experts to be helpful in only a very limited way. The utility of their evidence concerning design comparison was adversely affected – and significantly so – by a number of matters, which I will discuss below.

32 Before doing so, I should mention that the experts gave evidence touching upon the validity of claims 1 to 4 of the second patent. I will discuss this evidence in greater detail when dealing with the respondent's case in that regard. They also each expressed the opinion that the Kumato

container possesses the essential features of each claim of the second patent. As I will come to explain, I do not accept the correctness of their opinions insofar as they concern claim 5. As I have noted, the respondent does not dispute that the Kumato container possesses the essential features of each of claims 1 to 4 of the second patent. It is therefore not necessary for me to consider the experts' evidence in that regard.

Mr Tabone

33 Mr Tabone made three affidavits that were read. These affidavits contained a number of exhibited documents and articles. The exhibited documents were treated as annexures to the affidavit. The articles were not tendered; it was not necessary to do so in the circumstances.

34 As to the particular challenge to Mr Tabone's credit, I do not consider that he was motivated to give any particular evidence because of his commercial dealings with the applicant (which he had disclosed in his first affidavit) or any desire to obtain favour from the applicant by way of licensing his designs. This was the substantial basis on which the reliability of his evidence, and his credit specifically, was challenged by the respondent. Nevertheless, I do have significant reservations about the reliability of the evidence given by him, for the following reasons.

35 Mr Tabone's evidence showed that he did not undertake his design comparisons consistently. For example, there is no doubt that, when undertaking his comparison of the Taste Bomb container and RD 4, Mr Tabone did not regard the ventilation holes in the lid of RD 4 to be a significant feature of the overall appearance of RD 4. Consistently with that approach, he advanced the general proposition that the number and location of ventilation and drainage holes in containers of this type was one aspect of the limited freedom of the designer to innovate: see [79] below. Accordingly, he discounted the significance of that feature (as well as certain other features) and placed far greater significance upon the appearance of the protruding, ribbed corner pillars of the base of the RD 4 container, amongst other features. In his affidavit evidence, he included the particular appearance of the corner pillars in RD 4 as one of its most significant features.

36 Paradoxically, when Mr Tabone gave evidence in cross-examination about the differences between RD 3 and RD 4 – that is, outside the context of design infringement – he placed significant weight on the presence of ventilation holes in the lid of RD 4, over other design

features. Mr Tabone labelled these ventilation holes as the “most obvious” difference between the two designs. On any reasonable view, there are plain visual differences between RD 3 and RD 4 – represented in part by the shape and configuration of the distinctive corner pillars of the base of the container in RD 4 – which are of far greater visual significance than the ventilation holes in the lid of that design. Under cross-examination, Mr Tabone treated the corner pillars in RD 4 as only having, for him, a newly-appreciated significance because attention had been drawn to them in his cross-examination. I gained the impression that, when giving a number of subsequent answers on this topic, Mr Tabone deliberately sought to downplay the significance of the appearance and prominence of these corner pillars.

37 For completeness, I would add that Mr Tabone also sought to give greater visual significance to the ventilation holes in the lid of RD 4 than to the heavily ribbed perimeter of the lower section of the base of the container. In exhibit 3, which was a copy of the design representations for RD 4 annotated by him, Mr Tabone indicated that this ribbed feature was “not so obvious”, compared to the ventilation holes in the lid. I do not accept the correctness of that opinion.

38 I am unable to reconcile or explain the different approaches adopted by Mr Tabone in these strands of evidence. I do not accept that, prior to being cross-examined, Mr Tabone did not appreciate, and did not hold the view, that the particular appearance of the corner pillars in the base of the container in RD 4 represented a significant visual feature of that design. I do not accept that, on any reasonable view, the ventilation holes in the lid of RD 4 are of greater visual significance than a number of other features of RD 4 when that design is considered as a whole.

39 I also doubt the genuineness of Mr Tabone’s opinion that the design of the Medley Mix container is substantially similar in overall impression to RD 4. Mr Tabone adhered to this opinion under reasonable challenge. I will deal later with the comparison of the design of the Medley Mix container and RD 4. For present purposes, it is sufficient to say that I have difficulty in accepting that his opinion in relation to that comparison could have been held genuinely by him unless, when giving it, he was labouring under a fundamental misunderstanding of the prescriptions in s 19(1) of the Designs Act. I cannot readily see any alternative explanation for him giving that particular evidence.

40 There are other matters of comment in relation to Mr Tabone’s approach to design comparison. First, in his affidavit and oral evidence, Mr Tabone, on occasions, resorted to what he

considered to be the likely impressions of the general body of consumers when viewing or inspecting packed produce containers in a retail setting. In my view, such impressions do not represent the standard of the informed user that is relevant in the present case: see s 19(4) of the Designs Act. In any event, Mr Tabone had no qualification beyond his own idiosyncratic views that would enable him to express an opinion about consumer perceptions and impressions. There is a real likelihood that this erroneous approach informed at least some of the ultimate opinions expressed by him about design similarity.

41 Secondly, Mr Tabone acknowledged, in relation to RD 4, the existence of a statement of newness and distinctiveness. I will discuss this statement below. The point of present importance is that, when carrying out his design comparisons involving RD 4, Mr Tabone had regard to the appearance of that design only by reference to those features that were claimed in the statement to be new and distinctive. In so doing, Mr Tabone effectively ignored a feature of RD 4. In my view, this approach misapplies the test prescribed in s 19(2)(b) of the Designs Act, which requires that particular, but not sole, regard be had to the features identified in the statement of newness and distinctiveness.

42 These various matters lead me to treat with considerable caution Mr Tabone's opinions as they relate to the comparison of designs under s 19 of the Designs Act.

Mr Papi

43 Mr Papi made a report, which was tendered as exhibit 7. A large number of passages in it were either not read or rejected. A number of paragraphs were admitted subject to a limitation on their use under s 136 of the Evidence Act.

44 The reliability of Mr Papi's evidence was challenged on a number of bases. First, he was challenged on the basis that he compared the design of the accused containers to containers that had been put to him as commercial embodiments of the registered designs. Mr Papi accepted that he undertook his comparison in relation to the Kumato container on that basis. He could not say whether he conducted his comparison in relation to the Taste Bomb container on the same basis. He denied undertaking a comparison in relation to the Medley Mix container in that way. Plainly, the correct comparison in each case is between the design of the accused article and the design as shown in the representations accompanying the application for each registered design. The evidence shows that, certainly in his comparison of the Kumato

container and RD 6, Mr Papi's opinions were affected by extraneous considerations. The position in relation to his comparison in relation to the Taste Bomb container is uncertain. For this reason, I treat his evidence in relation to these comparisons with considerable caution.

45 Secondly, Mr Papi was challenged on the basis that he was more intent on looking for differences than in looking for similarities between the designs. He did not shy away from accepting that he looked for, relied on, and emphasised differences in expressing his opinions. He said, however, that he gave a balanced view. As I note below, s 19(1) of the Designs Act prescribes that, in considering the question of substantial similarity based on overall impression, greater weight must be given to similarities than to differences between the compared designs. In my view, the ultimate opinions given by Mr Papi on this question showed a clear inclination to favour individual design differences rather than to consider the overall impression created by the registered designs and the design of each accused container. This is another reason to consider his evidence with considerable caution.

46 Thirdly, a number of statements made by Mr Papi on similarities and differences were informed by his own research on containers, including purchasing containers in supermarkets and looking at the websites of manufacturers and suppliers of produce containers, including in foreign countries. Much of this material was not specifically identified in his report or tendered in evidence. One cannot tell to what extent this material (whatever it may have been) truly affected the opinions he gave. This factor plainly diminishes the weight that can be given to his evidence and stands as a further reason to view that evidence with considerable caution.

Generally

47 Thus, it can be seen that the probative value of the evidence of each expert suffers significantly from what I regard to be justifiable criticisms. Nevertheless, in the context of the design infringement case, each expert was able to direct my attention to similarities and differences between the designs. I have found this process, and the debate that it generated, to be of some help. It has assisted my consideration of the comparison that the Court is required to undertake under s 19 of the Designs Act. Having been so assisted, I have proceeded on the basis of my own evaluation of the visual significance of similarities and differences, not that of the experts: *Keller v LED Technologies Pty Ltd* (2010) 185 FCR 449 at [36]-[37]; *Procter & Gamble Co v Reckitt Benckiser (UK) Ltd* [2008] FSR 8 at [4].

48 The written and oral evidence of the experts, including their joint report, together with the parties' submissions and aids provided in the course of submissions, are replete with references to the asserted similarities and differences between the relevant designs. Although I have had regard to all this material, I do not propose to recite the detail of it in these reasons. In general, I have used it to focus my attention on the various visual features of the designs being compared. Furthermore, in providing these reasons, I have generally preferred my own descriptions of the visual features of the designs to more faithfully record my own perceptions and evaluation of them. In doing so, I have focused on what I regard to be the main visual features of the designs, acknowledging that there are other matters of detail which nevertheless contribute in some way, although not in a significant way, to the similarities and differences between them.

49 In making these comments, I bear in mind the following observations of Jacob LJ in *Procter & Gamble* at [3]:

The most important things in a case about registered designs are:

1. the registered design;
2. the accused object; and
3. the prior art.

And the most important thing about each of these is what they look like. Of course parties and judges have to try to put into words why they say a design has "individual character" or what the "overall impression produced on an informed user" is. But "it takes longer to say than to see" as I observed in *Philips Electronics NV v Remington Consumer Products Ltd (No. 1)* [1998] RPC 283 at 318. And words themselves are often insufficiently precise on their own.

DESIGN INFRINGEMENT

Legislative framework

50 For the purposes of the Designs Act, a design, in relation to a product, means the overall appearance of the product resulting from one or more visual features of the product: s 5. A visual feature, in relation to a product, includes the shape, configuration, pattern, and ornamentation of the product, but does not include the feel of the product, the materials used in the product, indefinite dimensions (in the case of a product that has one or more indefinite dimensions) or more than one repeat of a pattern (if the product has a repeating pattern): s 7(1) and 7(3). A visual feature may, but need not, serve a functional purpose: s 7(2).

51 Section 71(1) of the Designs Act provides:

A person infringes a registered design if, during the term of registration of the design, and without the licence or authority of the registered owner of the design, the person:

- (a) makes or offers to make a product, in relation to which the design is registered, which embodies a design that is identical to, or substantially similar in overall impression to, the registered design; or
- (b) imports such a product into Australia for sale, or for use for the purposes of any trade or business; or
- (c) sells, hires or otherwise disposes of, or offers to sell, hire or otherwise dispose of, such a product; or
- (d) uses such a product in any way for the purposes of any trade or business; or
- (e) keeps such a product for the purpose of doing any of the things mentioned in paragraph (c) or (d).

52 In the present case, there is no dispute that the respondent has imported for the purposes of sale, trade or business, sold or otherwise disposed of, and offered to sell or dispose of, in Australia, each of the accused containers. As I have noted, the applicant's case is that the design of each container is substantially similar in overall impression to one or more of RD 3, RD 4, and RD 6. Section 71(3) provides that in determining whether an allegedly infringing design is substantially similar in overall impression to the registered design, the Court is to consider the factors specified in s 19 of the Designs Act.

53 Section 19 provides:

(1) If a person is required by this Act to decide whether a design is substantially similar in overall impression to another design, the person making the decision is to give more weight to similarities between the designs than to differences between them.

(2) The person must also:

- (a) have regard to the state of development of the prior art base for the design; and
- (b) if the design application in which the design was disclosed included a statement (a *statement of newness and distinctiveness*) identifying particular visual features of the design as new and distinctive:
 - (i) have particular regard to those features; and
 - (ii) if those features relate to only part of the design—have particular regard to that part of the design, but in the context of the design as a whole; and
- (c) if only part of the design is substantially similar to another design, have regard to the amount, quality and importance of that part in the context of the design as a whole; and
- (d) have regard to the freedom of the creator of the design to innovate.

(3) If the design application in which the design was disclosed did not include a statement of newness and distinctiveness in respect of particular visual features of the design, the person must have regard to the appearance of the design as a whole.

(4) In applying subsections (1), (2) and (3), the person must apply the standard of a person who is familiar with the product to which the design relates, or products similar to the product to which the design relates (the *standard of the informed user*).

(5) In this section, a reference to a person includes a reference to a court.

54 These factors can be summarised as follows:

- (a) More weight is to be given to similarities between the designs than to differences between them: s 19(1).
- (b) Regard must be had to the state of development of the prior art base for the design: s 19(2)(a).
- (c) If there is a statement of newness and distinctiveness identifying particular visual features of the designs as new and distinctive, particular regard must be had to those features. If those features relate to only part of the design then particular regard must be had to that part of the design, but in the context of the design as a whole: s 19(2)(b). If there is no statement of newness and distinctiveness in respect of particular visual features of the design, regard must be had to the appearance of the design as a whole: s 19(3).
- (d) If only part of the design is substantially similar to another design, regard must be had to the amount, quality, and importance of that part in the context of the design as a whole: s 19(2)(c).
- (e) Regard must be had to the freedom of the creator of the design to innovate: s 19(2)(d).
- (f) In having regard to these considerations, the standard to be applied is that of a person who is familiar with the product to which the design relates or similar products: s 19(4). This is referred to as the standard of the informed user.

55 What this shows is that, although the test is based on impression, it is not based merely on a casual comparison between designs for a given article. There needs to be a studied comparison based on the prescriptions of s 19 of the Designs Act. Thus, the notion of “imperfect recollection” – familiar in trade mark law – has no application when determining design similarity: cf *Procter & Gamble* at [23]-[28]; *Rolawn Ltd v Turfmech Machinery Ltd* [2008] RPC 27 at [111].

Statements of newness and distinctiveness in the present case

56 In the present case, of the designs alleged to be infringed, only RD 3 and RD 4 contain statements of newness and distinctiveness. In the case of RD 3, newness and distinctiveness is

said to reside “in the features of the design as shown in the representations”. The statement thus directs attention to all the visual features depicted in the representations accompanying the design application. In the case of RD 4, the statement says that newness and distinctiveness reside “in the features of the design shown in solid lines in the representations excluding those features shown in broken lines”. The only feature in broken lines is a “figure 8” or “peanut shape” feature – I prefer to refer to it as “peanut-shaped” – formed in the bottom panel of the base of the depicted container. This feature is also present in RD 3 but not excluded as one of the claimed new and distinctive features of that design.

The standard of the informed user

57 In *Review 2 Pty Ltd (in liq) v Redberry Enterprise Pty Ltd* (2008) 173 FCR 450 at [19]-[27], Kenny J discussed the introduction into Australian designs law of the concept of the informed user. Her Honour observed (at [21]) that the concept of the informed user had been adopted in the *Registered Designs Act 1949* (UK) (**the UK Designs Act**), with the consequence that decisions under that Act can provide some guidance in this country.

58 The UK Designs Act was amended, by means of the *Registered Designs Regulations 2001* (UK), under s 2(2) of the *European Communities Act 1972* (UK), to give effect to Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (**the Designs Directive**). These amendments included s 7(1) of the UK Designs Act which now provides that registration of a design under that Act gives the registered proprietor the exclusive right to use the design and any design which does not produce on the informed user a different overall impression. The characteristics of the informed user are not defined. Provisions corresponding to the Designs Directive also find expression in Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (**the Community Designs Regulation**), which provides for the creation of a scheme of Community designs.

59 Decisions under the UK Designs Act and the Community Designs Regulation stress the dual character of the notional person – who must not only be informed, but be a user. This dual character was at the forefront of the description of the informed user in *Woodhouse UK PLC v Architectural Lighting Systems* [2006] RPC 1 where, at [50], Judge Fysh QC said:

First, this notional person must obviously be a *user* of articles of the sort which is subject of the registered design – and I would think, a regular user at that. He could thus be a consumer or buyer or be otherwise familiar with the subject matter say,

through use at work. The quality smacks of practical considerations. In my view the informed user is first, a person to whom the design is directed. Evidently he is not a manufacturer of the articles and both counsel roundly rejected the candidature of “the man in the street”. “*Informed*” to my mind adds a notion of familiarity with the relevant rather more than what one might expect of the average consumer; it imports the notion of “what’s about in the market?” and “what has been about in the recent past?”. I do not think it requires an archival mind (or eye) or more than an average memory but it does I think demand some awareness of product trend and availability and some knowledge of basic technical considerations (if any). In connection with the latter, one must not forget that we are in the territory of designs and thus what matters most is the appearance of things; as Mr Davis reminded me, these are not petty patents. Therefore, focus on eye appeal seems more pertinent than familiarity with the underlying operational or manufacturing technology (if any). I feel uncomfortable with analogy to the “man skilled in the art” whose “nerd-like” (and other) attributes seem too technical: *Technip France SA’s Patent* [2004] R.P.C. 46 at [6–12] (CA).

60 This passage has been quoted in decisions of this Court: see *Review 2* at [21]; *Review Australia Pty Ltd (ACN 122 295 836) v New Cover Group Pty Ltd (ACN 111 991 596) and Others* (2008) 79 IPR 236 at [24]; *LED Technologies Pty Ltd (ACN 100 887 474) v Elecspress Pty Ltd (ACN 104 535 597) and Others* (2008) 80 IPR 85 at [58]. When discussing the requirements of Australian designs law, Kenny J in *Review 2* made reference (at [19]) to this dual character:

Who is the informed user? Plainly, the informed user must be a person who is familiar with the product to which the design in question relates. Moreover, the informed user must be a *user* of the class of product in question, in this case, ladies’ garments, or perhaps, more narrowly, ladies’ dresses. A designer or manufacturer of such garments is not an informed user merely because he or she designs or manufactures them. Further, this user is not simply an ordinary consumer: the user must be an *informed* user.

61 In *LED Technologies Pty Ltd v Roadvision Pty Ltd and Another* (2012) 199 FCR 204, Besanko J (at [74], with whom Mansfield J (at [1]) and Flick J (at [96]) agreed) observed that although the UK Designs Act was in different terms from the Designs Act, the difference did not suggest that the approach of Judge Fysh in *Woodhouse* should not be adopted in appropriate circumstances. Although this comment was made in the context of discussing a particular passage in *Woodhouse* concerning whether, in conducting a design comparison, more emphasis should be placed on the appearance of the product in situ, Besanko J’s contemporaneous reference to *Review 2* at [21] and *Elecspress* at [58] suggests that his Honour might also have had in mind the passage in *Woodhouse* quoted above.

62 Decisions under the UK Designs Act and the Community Designs Regulation draw distinctions regarding who can and cannot be a user. In *Dyson Ltd v Vax Ltd* [2010] FSR 39, Arnold J (at [19]) referred with approval to the observation of the General Court of the European Union

(the General Court) in *Grupo Promer Mon Graphic, SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case T-9/07) [2010] ECR II-981 that the informed user is neither a manufacturer nor a seller of the products in which the designs at issue are intended to be incorporated or to which they are intended to be applied. The same observation of the General Court was referred to with approval in the appeal from his Lordship's judgment: *Dyson Ltd v Vax Ltd* [2012] FSR 4 at [14]. In *J Choo (Jersey) Ltd v Towerstone Ltd* [2008] FSR 19 at [7], Floyd J reasoned that a designer would not be a user even though the informed user must have knowledge of the design of products to which the design relates (in that case, handbags).

63 Uninstructed by the decisions of this Court which accept the quoted passage in *Woodhouse* as providing guidance, I would not, myself, have considered that a person's status as a user had a direct role in applying the standard defined in s 19(4) of the Designs Act. In cases decided under legislation reflecting the provisions of the Designs Directive – in particular, the UK Designs Act – the emphasis on the notional person being a user of the articles in respect of which the design is registered can be explained by the fact that the informed user is the touchstone specifically provided by that legislation. The position is not quite the same under the Designs Act. Section 19(4) explicitly states that the standard is that of a person who is familiar with the product to which the design relates, or products similar to the product to which the design relates. Section 19(4) uses the expression “the standard of the informed user”, but merely as a tag. In my respectful view, it is not a statement of the content of the test. The expression “the standard of the informed user” is defined by the preceding words of the provision. So viewed, the expression cannot colour the meaning of the express words of the test. To allow the expression to colour the statement of the standard would be tantamount to construing, impermissibly, the words of a definition by reference to the term defined: *The Owners of the Ship “Shin Kobe Maru” v Empire Shipping Company Inc.* (1994) 181 CLR 404 at 419.

64 The Australian Law Reform Commission Report No. 74, *Designs* (Sydney, 1995) (the **ALRC Report**) – to which the Designs Act responds – adopted, as its recommended standard, the idea of the informed user. It seems that, in doing so, it was inspired by European developments in relation to the protection of Community designs. However, in adopting this idea, the Australian Law Reform Commission (the **Commission**) was not dogmatic about the status of the notional person as a user of products. At [6.13] of the ALRC Report, the Commission said:

... The informed user will usually be the consumer or person using the design article, depending on the nature of the decision, but will not be a design expert. For example, the informed user of car replacement parts may be the mechanic who repairs the vehicle, but for domestic items it may be the consumer. The concept of ‘informed user’ is discussed in ... paragraph 5.17.

65 Paragraph 5.17 of the ALRC Report is illuminating:

Informed user. The Commission recommends that the novelty and distinctiveness of designs should be assessed from the perspective of the ‘informed user’. The concept of the informed user is flexible enough to incorporate where relevant the views of consumers, experts, specialists and skilled tradespersons. At the same time it does not, and should not, require that the expert or consumer be the test in all cases. The informed user would be defined as a person who is reasonably familiar with the nature, appearance and use of products of the relevant kind...

66 The test in s 19(4) of the Designs Act reflects this more general approach. Apart from the tag “the informed user”, the standard prescribed by s 19(4) appears to be indifferent as to how and in what circumstances familiarity is acquired. In my respectful view, the standard does not proceed on the requirement that the notional person be a user of the products in question – although, obviously, familiarity can be gained through use. Similarly, it does not proceed on the distinctions that the United Kingdom and European cases draw about who can and who cannot be a user.

67 Importantly, however, s 19(4) does not impose a standard higher than familiarity. The standard fixes the appropriate level of generality (or particularity) at which a design is to be assessed: see the discussion in *Rolawn* at [112]. This may be a reason for saying that the notional person is not a design expert, lest it be thought that a standard of design evaluation more rigorous or exacting than familiarity is involved. However, in my view, it is not a reason for excluding, necessarily, a design expert from being a person having the required familiarity.

68 In the present case, the standard of the informed user is the standard of a person who is familiar with produce or similar containers. So much is clear from an application of the text of s 19(4) of the Designs Act. No greater elaboration is required.

69 The applicant submits that, relevantly, “[t]he informed user is a purchaser or seller of fresh produce punnets who considers the needs of the packer and the eye appeal of the filled container to the consumer”. The respondent submits that the informed user is a “fruit packer” who uses the plastic containers in question for that purpose.

70 In my view, the class of persons whose attributes might be taken as representing the standard of the informed user is not as confined as the applicant or the respondent would have it. The text of s 19(4) does not require that confinement. The standard of the informed user in the present case might well be represented by a person who acquires produce containers for the purpose of using them, or having them used, in packing operations to produce packaged products. The standard of the informed user might be represented by the person who is the producer of the packaged product (relevantly, on the evidence in the present case, the producer of packaged fruit such as small tomatoes) or by a person engaged in packing operations on behalf of such a producer. The standard of the informed user might also be represented by a sophisticated purchaser at wholesale of the packaged product who has particular requirements in relation to, for example, the storage, transport, and display of the packaged product in such containers. There may be others whose perceptions could be taken as representing the standard of the informed user. However, in all cases, the necessary and only qualification is that the person be familiar with produce or similar containers. No matter how such a person might come to be appropriately qualified, he or she will have an awareness and appreciation of the visual features of a produce container that serve its functional as well as its aesthetic purposes.

71 I do not regard the perceptions of the general body of consumers who purchase packaged products at retail to be indicative of the standard of the informed user in the present case. It is entirely possible, of course, that some consumers, for whatever reason, might have a particular interest in produce containers and, because of particular circumstances, possess the requisite familiarity to meet the standard under s 19(4). However, as a matter of general approach, I would regard this to be the exception rather than the rule. Neither the applicant nor the respondent advanced a case that the general impressions of retail consumers, as such, set the proper standard by which the relevant designs were to be evaluated and compared in the present case.

Relevant functional aspects of produce containers

Generally

72 There is evidence before me, which I accept, that a number of visual features of a produce container, specifically for use with tomatoes, may also be present to serve a functional purpose in relation to the storage, transport, and display of the fruit. This evidence was given principally by Mr Galombik and Mr Tabone. The evidence is not specific as to when these features were

first used in Australia. The parties nevertheless proceeded on the basis that the following features were present in produce containers in Australia before the earliest possible priority date in this case, namely, 19 February 2008.

Lid and base

73 So-called “clamshell” containers have a lid and a base which are attached to each other by a hinge. There is no functional difference in the length of the hinge between the lid and the base. The hinge length usually varies between container shapes, sizes, and designs to account for the cutting tool and matters that affect the wear and tear of the cutting tool. In containers made of PET, the hinge is typically created by an embossed line on the join between the lid and the base. Closure points between the lid and the base are also provided. There are a number of different methods employed in clamshell containers by which closure can be achieved. Commonly, indentations in the lid section are designed to catch the rim of the base. Other closure methods include press stud points on the rim of the lid and the base, tabs which fit into slots, and an overlocking rim whereby the rim of the lid fits over the rim of the base.

Shape

74 Containers of this kind are typically rectangular or square in shape, with dimensions that will fit an optimum number of containers into the crate used by the wholesaler. The containers must fit snugly so as to not move around during transport or to waste space in transport or storage.

75 Rounded internal corners ensure that the produce fits into the container evenly and without creating pressure which may result in bruising. Similarly, the ribbing which is employed in maintaining the integrity of the container must not create sharp pressure points on the container’s internal surface.

Ribbing

76 Ribbing is employed to give support and stability to the thin PET material typically used in the construction of containers of this kind. The ribbing reduces the cost of manufacture (because less PET can be used) and increases the integrity of the structure. The ribbing is preferably arranged to provide for large, clear surface areas to enable the contents of the container to be viewed. Although a completely clear container would be preferred, the integrity of the structure

would be compromised. Therefore, the functionality of the container represents a compromise between cost and aesthetics.

77 Mr Tabone gave evidence that the earliest designs of containers used for packing small tomato varieties and strawberries were generally open-topped receptacles made of thermoformed plastic in which the fruit was covered by a cellophane-type sheet material (held in place by a rubber band) or a cling-type over-wrap film material. The containers had substantially vertical ribbing all around the container, with no corner pillars, to add strength and integrity. Mr Tabone said that this ribbing developed a reputation for damaging the fruit within the container. He noted that, as lidded containers became more common, there was a reduction in much of the ribbing, leading to substantially clear (that is, plain, unribbed) side panels. He spoke of the general concept of corner pillars being used “in some earlier, smooth (un-ribbed) container design versions”.

Feet

78 Feet at the base of the container facilitate airflow and the release of any built-up moisture from the ventilation holes at the bottom of the container when the container sits on the base of a crate or when a number of containers are stacked. The function of the feet on the containers is therefore achieved regardless of the shape of the feet. Sometimes the containers are flat-based with indentations at the ventilation holes to achieve airflow. Mr Tabone gave evidence that having “legs” (or feet) on the bottom of the container was “not a new concept at 7 August 2009”.

Ventilation holes

79 Ventilation holes at the top of the lid of the container allow the release of gas, in particular, ethylene gas and carbon dioxide, as the fruit ripens. These holes also facilitate airflow for even and quick cooling after the fruit has been packaged. Supermarkets require an ambient temperature of between 11 and 14 degrees centigrade. It is important to keep tomatoes within this temperature range. The holes on the lid are normally positioned at the corners because most growers want a large flat surface area on the lid on which to place their label. Ventilation holes at the base of the container facilitate airflow for even and quick cooling after the fruit has been packaged and during storage as well as allowing for the release of any built-up moisture. The function of the ventilation holes is not affected by their shape. Some manufacturers prefer

circular holes as the blades used to make the holes are cheaper and more readily available. Oval holes are also used, but this is for aesthetic, and not functional, reasons. Mr Tabone gave evidence that ventilation holes were “not a new concept at 7 August 2009”. He gave evidence that ventilation holes were an example of a limitation on the freedom of the designer to innovate. Mr Papi gave similar evidence: see [83] below.

Constraints on the freedom to innovate

80 There is a question whether these considerations, or at least some of them, relevantly impose constraints on the freedom of the designer to innovate. The import of Mr Galombik’s evidence was that these considerations do impose constraints.

81 Mr Tabone’s evidence was that the designer has “limited freedom to innovate in the punnet production industry”. In this connection, he gave the following evidence:

In relation to the freedom to innovate, it would be expected, in theory, that designers of punnets for fruit and vegetable goods would have a wide ability to innovate. This may include the designing of punnets in different shapes, or innovation in terms of ventilation design. However, in my experience, the punnet production industry embraces change very slowly and is also constrained by practical considerations. For instance, as mentioned above, ventilation and drainage holes are placed on a punnet in certain positions because it is convenient to the machinery used by the manufacturer of the punnet rather than for precise design purposes. Also, a square or rectangular shaped product is likely to be preferred to a round shaped product as less space is wasted in packaging many punnets together in transit trays. Also, the three designs that I have compared are usually used to carry a weight of 250 grams, which is ideal for kumato tomatoes and strawberries. As kumato tomatoes and strawberries are small and can fall out of packaging, punnets are produced so that the base is deeper than the lid.

82 Mr Tabone was not challenged on this evidence, although, as I have noted (see [35]-[38] above), his observations in the above-quoted passage and elsewhere in his affidavit evidence about the placement of ventilation holes sits somewhat inconsistently with his other evidence that the number and positioning of ventilation holes are “more in the nature of a design concept”.

83 Mr Papi gave the following evidence:

... Punnet sizes, vent hole sizes, vent geometry, vent hole shapes, radius and rib design and geometry are ... dictated by the somewhat limited capability of the thermo form process.

84 It can be seen that the applicant's and the respondent's evidence speaks of the limited freedom of the designer to innovate, although the precise nature and extent of any limitation is not clear. Another difficulty is that the witnesses appeared to address this issue in terms of containers for small tomatoes or strawberries, whereas the registered designs in suit are for produce containers whose end use is not so limited.

85 Nevertheless, in accordance with the evidence, I accept that, before the earliest relevant priority date, there were features of produce containers, where the intended use was for fruit such as small tomatoes and strawberries, that limited the freedom of the designer to innovate. Specifically, I accept that such containers typically were required to be square or rectangular in shape with dimensions to facilitate packing for storage and transport, and ultimate display of the packaged product at retail (including having a base that is deeper than the lid); that ventilation and drainage holes were required and that the size, shape, location, and number of ventilation holes could well be a function of the limitations of the particular machinery that, in a given case, might be available to manufacture the container; that feet would assist in achieving ventilation and drainage; that extensive ribbing or other sharp features were to be avoided in order to prevent damage to some contents; and that pillars were preferred in order to ensure the structural integrity of the container and to provide substantially clear panels between the pillars. Moreover, these constraints are likely to have been reflected by a degree of standardisation. I have proceeded on the basis that, at the earliest relevant priority date, these features were common to designs applied to produce containers and do not themselves signify aspects of design innovation. In cross-examination, Mr Tabone accepted that, before 2008, plastic containers for fruit and vegetables on retail shelves possessed common features, which could include, separately but not necessarily in combination, a "boxish" shape; a hinged lid; holes for ventilation; small protruding feet on the lower surface of the base; and ribbing at the corners or ribbed pillars, for strength or decoration, with otherwise clear surfaces or panels between the corners or pillars.

The prior art base

Introduction

86 Section 15(2) of the Designs Act defines the prior art base for a design in the following terms:

The ***prior art base*** for a design (the ***designated design***) consists of:

(a) designs publicly used in Australia; and

- (b) designs published in a document within or outside Australia; and
- (c) designs in relation to which each of the following criteria is satisfied:
 - (i) the design is disclosed in a design application;
 - (ii) the design has an earlier priority date than the designated design;
 - (iii) the first time documents disclosing the design are made available for public inspection under section 60 is on or after the priority date of the designated design.

87 The prior art base consists of designs, not design features or, indeed, design concepts: *Keller* at [53] and [244]-[245]; *Elecspress* at [55]. As the case came to be argued, the respondent relies upon the following specific designs as comprising the prior art base for the purpose of considering the scope of RD 3:

- RD 1;
- RD 2;
- The designs of the container depicted in the first patent;
- A container referred to by the respondent as the “Tacca punnet”: exhibit RG-6;
- One of the respondent’s containers referred to by it as the “Source and Sell container”: exhibit RG-10;
- A design registered in the name of Infia S.r.L. (**the Infia design**).

88 The respondent relies upon the same designs, as well as RD 3 and the design of the container shown in the second patent, as comprising the prior art base for the purpose of considering the scope of RD 6. The respondent relies upon all the above designs, as well as RD 6, as comprising the prior art base for the purpose of considering the scope of RD 4. The respondent does not allege that the prior art deprives any of the registered designs in suit of validity.

89 In light of the evolving prior art base that is relied upon for each registered design, I will consider the applicant’s case for infringement in the following order: RD 3; RD 6; and then RD 4.

Aspects of proof of the prior art base

90 There is a dispute about whether the respondent has proved that the Tacca punnet and the Source and Sell container form part of the prior art base. The evidence concerning these matters was given by Mr Galombik, initially in his affidavit. Certain parts of his affidavit were

rejected in relation to his evidence concerning the Tacca punnet; other parts were admitted subject to a limitation under s 136 of the Evidence Act. Leave was granted to the respondent to adduce further evidence from Mr Galombik orally, in relation to both the Tacca punnet and the Source and Sell container.

91 In his affidavit, Mr Galombik said that he had “seen the Tacca Containers in retail shops since at least 2007”. In oral evidence in chief, he was shown a sample of what purports to be the Tacca punnet, which was later tendered as exhibit RG-6. The following exchange took place:

Are you able to tell me when you obtained possession of that container?---No, I can't tell you exactly when I've taken possession of this container.

Can you give me an approximate date?---Well, I was always around this – the supermarkets, looking at containers.

92 An objection was made, which led to the following exchange:

HIS HONOUR: ... Can you just concentrate on that question. It seems to me it's capable of being answered with a yes or no answer. Are you able to give an approximate date?---Of this specific container?

Yes?---Well, I don't – well, no, because I don't know when – what this specific container is.

Very well.

MR ELLIOTT: Do you recognise that container or that specific design of container as one that you have seen before?---Yes.

And when have you seen that specific design of container before?---Around 2007 when I started about in this industry.

And where did you see it?---In the supermarkets.

Which supermarkets?---Well, I couldn't tell you exactly.

In Australia?---Yes, in Australia.

93 In cross-examination, Mr Galombik accepted that he could not produce a receipt for the purchase of a container that “looked like that” prior to 2010.

94 In his affidavit, Mr Galombik also gave evidence that, on about 8 August 2007, the respondent engaged a manufacturer, Turbo Plastics, to produce the Source and Sell container. A copy of the sales confirmation, specification sheet, and other commercial documents – said to relate to this container – were in evidence.

95 In oral evidence in chief, Mr Galombik was shown a sample of what was said to be the Source and Sell container. This was later tendered as exhibit RG-10. The following exchange took place:

And what do you recognise it to be?---A – this is a container that I would have got from the factory in 2007 because we always write the date on the labels when we – that’s part of our process. We put the sticker on and put the date that we acquired it. And the supplier is on here, Forever Gain, Forever Gain Enterprise. It would be a Chinese factory.

When you say “we obtained” is that Source and Sell?---Yes.

And was it a container of that particular design utilised by Source and Sell in the marketplace?---Well, we imported a container in 2007. I think it is this code, this number. We got it produced – I’m not 100 per cent sure if it’s this number but it’s very similar and we imported them into Australia.

And for what purpose?---For the strawberry market in Western Australia.

And was it used for that purpose?---It was used for that purpose.

And over what time period?---Well, frankly, we used – we gave one container and they were popping open so we stopped importing them because it wasn’t fit for purpose. But originally, we imported this container.

Yes. I understand that. And I’m asking you a new question now. You said you imported them for the purpose of selling strawberries in Western Australia?---For packing strawberries.

Packing strawberries?---We don’t sell strawberries. We pack strawberries, yes.

And when did you sell them for that purpose? What year would that have been?---I think about 2007, that time.

96 The terms of the sales confirmation required the logo “S&S” to be printed on each container to represent the respondent’s corporate name. Further, the specification sheet required the mould identification number to be placed on each container. Exhibit RG-10 did not bear these markings, thereby calling into question whether that container was an example of the container that was supplied pursuant to the order of 8 August 2007.

97 In cross-examination, Mr Galombik said that, although each container was to be imprinted with the “S&S” logo, this was “not necessarily done”. In that connection, he said:

... We don’t have a mould invoice for this product which means that it very well could be the supplier’s product. So we’ve just taken the standard product. And if it is standard product, it’s theirs. They won’t put your logo on it.

98 In re-examination, Mr Galombik repeated this explanation, with an added explanation:

... Well, as I said, if we're buying it from the factory then we don't pay for the mould. And they wouldn't put our name on it because that would preclude them from selling it to anybody else. And, secondly, sometimes our customers don't [put] our name on the bottom because they don't want their competitors knowing where to get the punnet. So they ask us specifically not to put it.

99 Following this explanation, the following exchange took place:

HIS HONOUR: Well, I have a question to ask.

Why then is it specified that there be a logo print S and S?---In this one?

Yes?---Well, we probably put this on, your Honour. What happened is we have a standard order, basically. I mean, if you – you know, there's a lot of cut and pasting so we have a standard order and then it would come back with a – we would get a sample back from the supplier and we would either accept it or reject it and in this instance we accepted it because it's a – we don't – we're not great marketers. We don't really, you know, insist on "Source and Sell" on a punnet, as I just said. It doesn't really matter to us because we work specifically with customers. We have a few customers and a lot of it is design so we don't have a multitude of customers selling one punnet to a lot of people.

100 In relation to the absence of the mould identification number on exhibit RG-10, Mr Galombik gave the following explanation in re-examination:

... What I was saying was that we often put information on orders that we require that don't get done. We have never ever had this information on any punnet. And often things [don't] get done. Again, in China, you can write out detailed orders and things don't get done. In this instance this is just a punnet for strawberries. I mean, the fact that – I mean, as I have said now before, this is probably, because we don't have an invoice for moulds and we always have separate mould invoices, this is very likely come out of the factory. And they wouldn't do – because we can ask for what we want but at the end of the day if you want the punnet and it is theirs and you don't want to pay mould charges, then you get what's in the factory.

101 The ground for contending that the Tacca punnet and the Source and Sell container formed part of the prior art base is prior public use: s 15(2)(a) of the Designs Act. In the context of discussing the proof of prior public use in the law of patents for inventions, Besanko J in *Aspirating IP Ltd v Vision Systems Ltd* (2010) 88 IPR 52 said at [200]:

The correct principle is that a prior public use must be strictly proved and evidence which is not corroborated must be scrutinised with care, particularly where it is evidence of events which occurred many years ago.

102 In that connection, his Honour quoted the following finding by Menzies J in *Commonwealth Industrial Gases Limited v M.W.A. Holdings Pty. Limited and Others* (1970) 180 CLR 160 at 165-166:

... It is not that I dismiss the evidence as deliberately untruthful – although I am disposed to think that the evidence relating to Ex. 8 and Ex. 9 – which was a less than accurate representation of Ex. 8 – was not wholly frank – it is rather that I cannot accept as reliable, oral evidence relating to particular pieces of equipment to which some reference has been found in the records of the defendant company, and then, as if by unaided recollection of observations made up to twenty-eight years ago, that equipment has been identified and described by the witnesses. It is apparent that during the long period since the equipment was seen, the witnesses must have looked at hundreds, if not thousands, of unremarkable pieces of similar equipment, and I have no confidence in their stated recollections of particular pieces of equipment among those numbers.

103 In *Aspirating IP*, Besanko J also referred to:

- (a) the observation of Gummow J (when in this Court) in *Nicarco Holdings Pty Ltd and Others v Martin Engineering Co and Another* (1990) 91 ALR 513 at 524-525 that proving an alleged anticipation by the recollection of witnesses and drawings in catalogues and brochures is to be approached with “some caution”; and
- (b) the observation of Waddell J in *Windsurfing International Inc and Another v Petit and Another* [1984] 2 NSWLR 196 at 231 which supports the principle adopted by Besanko J at [100] above, that uncorroborated evidence of an alleged prior public use must be scrutinised with particular care and such use should be strictly proved.

104 The same general principle applies to the proof of prior public use in the law of registered designs: *J Rapee & Co Pty Ltd v Kas Cushions Pty Ltd and Another* (1989) 90 ALR 288 at 299. This principle typically applies where the evidence of prior public use is an oral description based on recollection. In this case, Mr Galombik has identified the containers said to have been previously used and, in the case of the Source and Sell container, produced commercial documentation said to relate to it. Nevertheless, I have significant reservations about accepting that evidence.

105 First, Mr Galombik’s evidence about seeing “that container or that specific design of container” – with reference to the Tacca punnet (exhibit RG-6) – is very general. The highest he could put his recollection of first seeing the container was “[a]round 2007 when I started about in this

industry” and that he saw it “[i]n the supermarkets” in Australia. I have no confidence from this evidence, including from the manner in which it was given (see [91] to [92] above) and the level of generality with which it was given, that Mr Galombik did see the Tacca punnet in supermarkets in 2007 or that, if he did see a punnet sourced from Tacca, it was a container in the specific form of exhibit RG-6. It is for the respondent to prove the prior art base on which it relies. It has not been suggested that the respondent could not have called direct evidence from the supplier of the Tacca punnet as to when and where the particular container represented by exhibit RG-6 was first supplied or otherwise used publicly in Australia. I am simply left with Mr Galombik’s very general and uncorroborated say-so. I am not persuaded that this evidence – from this single source and given in this form – provides a sound basis for making a positive finding that the Tacca punnet in the form of exhibit RG-6 was publicly used in Australia before any relevant priority date in the proceeding.

106 Secondly, in relation to the Source and Sell container, there are clear discrepancies between the container which is exhibit RG-10 and the requirements in the contemporaneous documents said to relate to it. Mr Galombik’s explanation about these discrepancies is unpersuasive. It is possible, as he said, that the container was supplied without the markings referred to in the sales confirmation and specification sheet. But the tenor of Mr Galombik’s evidence in this regard presented this possibility as somewhat speculative. His evidence in this regard is also hard to reconcile with the objective facts. The sales confirmation presents as a document prepared by the manufacturer, Turbo Plastics, which was signed on behalf of the respondent. In these circumstances, it is difficult to comprehend why, if the “S&S” logo was not required to be imprinted on each container to designate the corporate name of the respondent, the sales confirmation specifically provided for the presence of this feature. The fact that the sales confirmation prepared by the manufacturer specifically provided for this feature is plainly inconsistent with the suggested possibility – for that is as high as Mr Galombik could put it – that the respondent was purchasing a standard product in respect of which the manufacturer was not prepared to imprint the respondent’s logo. It is also plainly inconsistent with the alternative possibility advanced by Mr Galombik that the respondent’s “customer” did not want the respondent’s “name” on the container. Similarly, it is difficult to comprehend why the specification sheet specifically provided for the mould identification number to be placed upon each container, if this was not a requirement intended to be fulfilled.

107 I do not leave out of consideration the fact that exhibit RG-10 bears a sticker showing the date
of 21 September 2007. This sticker was not placed on the container by Mr Galombik, although
he said that “somebody in my office did”. I am not satisfied as to the circumstances in which
the sticker came to be placed on exhibit RG-10.

108 Overall, on the confusing state of the evidence, I am certainly not persuaded that I should make
a positive finding that exhibit RG-10 represents a container that was supplied in fulfilment of
the sales order given on about 8 August 2007, or that it was a container in public use in Australia
at any time before any relevant priority date in the proceeding.

Conclusion

109 For these reasons, I am not satisfied that either the Tacca punnet represented by exhibit RG-6
or the Source and Sell container represented by exhibit RG-10 has been shown to be part of the
prior art base. The consequence of this finding is that neither the Tacca punnet nor the Source
and Sell container can be taken into account when considering the scope of each registered
design in suit.

RD 3

Description

110 The application for RD 3 was filed on 19 February 2008, which is the priority date for the
design.

111 As I have noted, the application included a statement of newness and distinctiveness in the
following terms:

Newness and distinctiveness reside in the features of the design as shown in the
representations.

112 As I have also noted, it is apparent from this statement that the applicant relies upon all the
visual features of the design, without particular regard to one or more of those features.

113 The design is disclosed in the following filed representations, which are reproduced in
Schedule 1 to these reasons:

(a) Top perspective view – lid open (**representation 1**);

- (b) Top perspective view – lid closed (**representation 2**);
- (c) Front view – lid open (**representation 3**);
- (d) Front view – lid closed (**representation 4**);
- (e) Side view – lid open (**representation 5**);
- (f) Side view – lid closed (**representation 6**);
- (g) Rear view – lid open (**representation 7**);
- (h) Rear view – lid closed (**representation 8**);
- (i) Top view – lid open (**representation 9**);
- (j) Top view – lid closed (**representation 10**);
- (k) Bottom view – lid open (**representation 11**); and
- (l) Bottom view – lid closed (**representation 12**).

114 In general terms, the representations depict a squarish container having a hinged lid and base. The base is deeper than the lid. As a matter of impression, the container appears to be slightly longer from front to back than it is from side to side: see representations 3, 7, and 9 to 12.

115 The base has curved and ribbed corner pillars which converge towards the lower surface of the base to create a soft chamfer between each pillar and the lower surface of the base: see representations 3 to 8. The side walls of the base are substantially perpendicular. They are plain and unribbed: see representations 1 to 8. The lower surface of the base is disposed orthogonally to the side walls.

116 There is a rim with an associated planar lip around the upper part of the base: see representations 3, 5, 7, and 9 to 12. The lip is disposed orthogonally to the side walls. The rim has a particular shape and configuration, best illustrated by representation 1. This particular shape and configuration includes three substantial recessed areas located on the perimeter of the front and two sides of the base: see representations 1 and 5.

117 The lower surface of the base includes a distinctive ribbed peanut-shaped element: see representations 9, 11, and 12. The lower surface of the base has four curved feet located at its

corners, substantially in the shape of arcs which straighten at one end: see representations 9, 11, and 12.

118 The lid has round corners but no pillar elements. The lid is raised with substantially perpendicular side walls that, at their upper ends, curve to an upper, orthogonally-disposed surface: see, for example, representations 1, 2, and 4 to 6. There is a centrally-located raised area on this surface. This feature is rectangular in appearance with concave corners. The longer sides of this feature are orientated longitudinally with the lid (that is, from the front to the back of the lid): see representations 3, 7, and 10.

119 There is a rim with an associated planar lip around the lower part of the lid. The rim is disposed orthogonally to the side walls. The rim has a particular shape and configuration, best illustrated by representation 1. This particular shape and configuration includes three substantial recessed areas located on the front and two sides of the lid: see representations 1 and 5.

120 When the lid and the base are closed, the surfaces of the lid and the base forming the interface between those two components are “parallel”, to use Mr Tabone’s expression. In this state, the recessed areas in the rim of the lid and in the rim of the base cooperate to form three elongated openings or vents at the front and two sides of the container: see representations 4 and 6. These features are conspicuous. They serve the dual functional purpose of providing ventilation and a means of readily opening the container after it has been closed.

121 The representations suggest that there are eight other elongated recessed elements around the outside of the rim on the upper part of the base (two on each of the front and the back and two on each side) that engage with eight corresponding elongated lugs around the inside of the rim of the lower part of the lid when the lid and the base are closed, which function to lock the container. These recessed elements are significantly shorter than the recessed areas in the rim of the lid and in the rim of the base that cooperate to form the elongated openings or vents referred to in the previous paragraph.

The prior art base

122 As I have noted, the asserted prior art base for RD 3 comprises RD 1, RD 2, the designs of the container depicted in the first patent, and the Infia design.

RD 1

- 123 Representations of RD 1 are reproduced in Schedule 2 to these reasons.
- 124 RD 1 is a rectangular container having a hinged lid and base. The base is deeper than the lid. The proportionality of these components is not the same as it is in RD 3.
- 125 The base has curved corner pillars, which are otherwise plain and unribbed. The side walls of the base are substantially perpendicular, save for the rear wall which is angled slightly outwardly. They are plain and unribbed. The pillars converge towards the lower surface of the base to create a soft chamfer between each pillar and the lower surface of the base. The lower surface of the base is disposed orthogonally to the side walls and has feet at its corners, with each foot substantially in an L-shape.
- 126 There is a rim around the upper part of the base with an associated planar lip. The lip is disposed orthogonally to the side walls. The details of the rim are not clear, although it appears to contain recessed elements around the outside of the rim (two at the front and two on each side).
- 127 The lid has curved corners which appear to be ribbed. The lid is raised with substantially perpendicular side walls which, at their upper ends, curve to an upper surface that is disposed orthogonally to the side walls.
- 128 There is a rim around the lower part of the lid. The details of the rim are not clear. It appears to contain lugs around the inside of the rim that are intended to engage the corresponding recessed elements in the outside of the rim of the base, when the lid and the base are closed.
- 129 The side elevation and perspective representations accompanying RD 1 suggest that, when closed, the lower surface of the lid and the upper surface of the base would be parallel at their interface.

RD 2

- 130 Representations of RD 2 are reproduced in Schedule 3 to these reasons.

131 RD 2 is a squarish container comprising a hinged lid and base. The base is deeper than the lid.
The proportionality of these components appears to be very similar to RD 1. RD 2 otherwise
appears to have the same visual features that I have described with respect to RD 1.

The designs depicted in the first patent

132 Representations of the designs depicted in the first patent are reproduced in Schedule 4 to these
reasons.

133 The figures in the complete specification of the first patent show two embodiments of a produce
container. Each embodiment has a hinged lid and base. The first embodiment is a rectangular
container. The second embodiment is a squarish container. In each, the base is deeper than
the lid. The proportionality of these components appears to be very similar to the
proportionality of the same components in RD 3.

134 In general, the depicted embodiments possess a combination of features shown in RD 3. It is
enough that I refer to the description contained in [114] to [121] above, noting the following
differences in particular. First, the figures in the first patent do not show feet in the depiction
of the second embodiment. The depiction of the first embodiment does reveal squarish
elements that are formed by the ribbed corner pillars extending under the base and that would
appear to function as feet: see figures 1, 2, and 4. Secondly, the first embodiment has
additional ventilation holes. Two are depicted in association with the rear concave corners of
the centrally-located raised area on the outer surface of the lid: see figure 2. It is unclear
whether ventilation holes are located in association with the other two concave corners of this
feature. Thirdly, the second embodiment is not depicted with the peanut-shaped element on its
base, although the first embodiment is shown with this feature: see figure 1.

135 Despite the absence of the depiction of feet and the peanut-shaped element in the case of the
second embodiment, I am of the view that the design of that embodiment, as depicted in figures
5 to 7 of the first patent, is substantially similar in overall impression to RD 3. However, the
date of publication of the complete specification of the first patent is 3 April 2008, after the
priority date of RD 3 (19 February 2008). It follows that the designs depicted in the first patent
do not form part of the prior art base for the purpose of considering the scope of RD 3.
Nevertheless, these designs do form part of the prior art base for the purpose of considering the

scope of RD 6 and RD 4. It will be necessary to return to some features of the designs depicted in the first patent when discussing the prior art base for each of RD 6 and RD 4.

The Infia design

136 Representations of the Infia design are reproduced in Schedule 5 to these reasons. The respondent originally relied on a number of representations (including exhibit D) of what appear to be designs registered by Infia S.r.L.: see exhibit 8. By the time of final submissions, the respondent was content to rely only on a particular design registration – European design no. 000321153-0001, registered in respect of a container: see T316.30-T316.33. The respondent confined its case accordingly.

137 The Infia design shows a rectangular container which appears to have a hinged lid and base. The base is deeper than the lid. The proportionality of these components is not the same as it is in RD 3.

138 The base has curved and ribbed corner pillars, with substantially perpendicular side walls. The side walls of the base are plain and unribbed. The lower surface of the base is disposed orthogonally to the side walls, and forms a pedestal on which the base appears to rest. The lower surface also has two small rectangular platforms, running substantially front to back across the bottom of the lower surface (the shorter dimension of the rectangular base) (see representations 0001.4) and disposed as shown in representations 0001.2 and 0001.3.

139 The lid is raised with curved side walls leading to a plain, flat, rectangular top surface. The curved side walls give the appearance of a somewhat squat dome. The curved side walls contain conspicuous ribs, which appear to divide the side walls into segments.

140 The lower part of the lid includes a lip region, which is not uniform in shape. This feature is orthogonal to the side walls. This lip region appears to correspond with a lip region around the side walls of the upper part of the base. When the lid and the base are closed, the lip regions appear to be parallel to each other. The design representations appear to show elements at the interface of the lid and the base which seem to be part of a closure mechanism (see representations 0001.1, 0001.2, and 0001.4). The exact shape and configuration of that mechanism cannot be discerned from the representations. The lip region of the lid also contains

an elliptical element at each front corner. It is not clear whether this element performs a functional or decorative purpose, or perhaps both.

Generally

141 The prior art base for RD 3 comprises RD 1, RD 2, and the Infia design, but not the designs of the container depicted in the first patent.

142 In my view, RD 3 is not substantially similar in overall impression to any of the designs in its prior art base. This is so, notwithstanding that RD 3 shares a number of visual features in common with those designs, such as a hinged lid and base combination, where the base is deeper than the lid; curved corner pillars in the base (including in the case of the Infia design, ribbed pillars); a soft chamfer between the pillars and the lower surface of the base (in the case of RD 1 and RD 2); plain, unribbed side walls in the base; feet in various curved and other configurations; a raised lid with substantially perpendicular side walls curving into an orthogonally-disposed upper surface (in the case of RD 1 and RD 2); and a closure mechanism in which the lid and the base, at their interface, sit parallel to one another.

Comparison of the design of the Taste Bomb container and RD 3

143 There are undoubtedly a number of similarities between the design of the Taste Bomb container (represented by exhibit 2) and RD 3. The Taste Bomb container is squarish, with a hinged lid and base. Although it has somewhat similar proportions to RD 3, it appears to have a noticeably more squat appearance. Furthermore, unlike RD 3, it also appears to be slightly longer from side to side than it is from front to back. It presents, therefore, as a container with a different orientation to the RD 3 container.

144 Similarly to RD 3, the base has curved and ribbed corner pillars, which converge towards the lower surface of the base. As with RD 3, this creates a soft chamfer between each pillar and the lower surface of the base. Furthermore, the Taste Bomb container has substantially perpendicular side walls that are plain and unribbed. The lower surface of the base is disposed orthogonally to the side walls.

145 The base does not have, however, the distinctive peanut-shaped ribbing that is part of RD 3. The lower surface of the Taste Bomb container has curved feet, but these are substantially

L-shaped unlike the shape of the feet in RD 3. The lower surface of the Taste Bomb container has four elliptical ventilation holes (one near each of the feet) which is not a visual feature present in RD 3. The lower surface of the Taste Bomb container also includes various imprinted markings such as a recycling mark and information relating to the respondent.

146 In my view, the shape of the feet, the presence of the ventilation holes, and the presence of the various imprinted markings on the Taste Bomb container are of little visual significance when considering the overall impression of this particular design. The absence of the ribbed peanut-shaped element in the lower surface of the base stands in a different position. Although I would accept – consistently with my view in relation to the absence of the same feature in the second embodiment depicted in the first patent – that the absence of this feature in the Taste Bomb container would not be of determinative significance for the purpose of design comparison, it is a difference that must be considered along with the combined effect of other visual features that would serve to distinguish the design of the Taste Bomb container from other designs. I have already mentioned some visual features that distinguish the design of the Taste Bomb container from RD 3. There are other differences, as I will describe later.

147 The lid of the Taste Bomb container also has features in common with the lid of RD 3. In this connection, the lid is raised with substantially perpendicular side walls that, at their upper ends, curve to an upper orthogonally-disposed surface. However, the curve in the Taste Bomb container is broader or gentler than in RD 3. In RD 3, the curve is tighter or sharper. The Taste Bomb container also has a centrally-located raised area on the upper surface of the lid which, as in RD 3, is rectangular in shape. Unlike RD 3, however, this rectangular shape has convex corners and the rectangle has a different orientation, emphasising that the Taste Bomb container is slightly longer from side to side than it is from front to back and, consequently, has a different orientation to the RD 3 container. These features make some contribution to the design of the Taste Bomb container and play some role in distinguishing it from RD 3. Of less significance are the eight elliptical ventilation holes on the upper surface of the lid, which RD 3 does not have. Once again, the presence of this feature is, in my view, of little overall visual significance.

148 More significant is the fact that the lid has conspicuous corner pillars, which are absent in RD 3. The Taste Bomb container also exhibits conspicuous differences in the rim elements on both the base and the lid, compared with the rim elements of RD 3. These differences affect not

only the appearance of the lid and the base components respectively, but combine to affect the overall appearance of the Taste Bomb container when the lid and the base are closed.

149 The upper part of the base of the Taste Bomb container has a plain band around its perimeter, at which the upper ends of the ribbed pillars terminate. The band sits proud of the side walls. On top of this band is a curved lip element. This is conspicuous when considering the base. The curved lip element also has a functional importance, which I will describe later. Significantly, the base of the Taste Bomb container has none of the conspicuous rim elements present in RD 3 which define the various recesses to which I have referred: see [116] above. The rim of the base of the Taste Bomb container presents a clean and uniform appearance.

150 The lower part of the lid on the Taste Bomb container has a band which sits proud of the walls of the lid. This band is considerably wider at the front of the lid than it is at the back. The visual effect of this band is to give the lid a conspicuous wedge-shaped appearance. Below the band is a planar lip of varying width. The lip is disposed orthogonally to the side walls of the lid. The lip is slightly wider at the front of the container than it is at the sides. At the rear of the container, the lip merges into the hinge between the lid and the base. On the inside of the band, near the lip, there are four elongated lugs, two at the front and one on each side. The rim of the lid of the Taste Bomb container does not have the distinctive recessed areas seen in the rim of the lid of RD 3: see [119] above. Once again, what is presented is a clean and uniform appearance, other than for the existence of the four lugs.

151 When the lid and the base of the Taste Bomb container are closed, the combined effect of the particular features to which I have referred is that the lid displays a conspicuous “overbite” at the front of the container. In a perspective view, the visual effect of the overbite is accentuated, to some degree, by the rounded corner pillars on the lid as well as the band, which are absent from RD 3. Moreover, when the lid and the base are closed, the rounded pillars on the corners of the lid appear to be extensions of the rounded pillars on the corners of the base, albeit differently ornamented because of the absence of ribbing. When viewed from the side, this overbite is accentuated by the downwardly sloping (from back to front) lip on the lid. The lugs on the inside of the band on the lid of the Taste Bomb container engage with the underside of the curved lip on the base, to lock the container.

152 Thus, unlike RD 3 and designs in the prior art base, the lid of the Taste Bomb container does not sit parallel to the base at the interface between those two components. Moreover, unlike RD 3, the lid and the base of the Taste Bomb container do not combine to form three elongated openings or vents at the front and at the two sides of the container. Indeed, there are no such openings or vents. One consequence of this is that the Taste Bomb container and the container of RD 3 open differently. In the RD 3 container, the lid is intended to be opened using one of the openings or vents to lever the lid from the base. In the Taste Bomb container, the lid is intended to be opened by engaging the lip on the lid to lever the lid from the base. The fact that the two containers open differently assists in drawing attention to the different visual features.

153 In his evidence, Mr Tabone treated differences in the method or mode of closure to be of little significance. His evidence in that regard was predominantly directed to his comparison of the Taste Bomb container and RD 4, but the same observations are relevant to the comparison of the Taste Bomb container and RD 3. He also gave evidence to the same effect when undertaking his comparison of the Kumato container and RD 6. It is convenient to deal with these matters now.

154 Mr Tabone acknowledged the difference between the closure method of the Taste Bomb container and the closure method of the container in RD 4 (which is relevantly the same in RD 3 and in RD 6). He said, however, that these closure methods:

... are not unique when compared to the prior art. Both closure styles have been and remain in common use. In any event, the difference in closure methods is a feature that is more of a functional preference and not likely to be as noticeable when the [Taste Bomb container] is closed, nor in the marketplace, where the [Taste Bomb container] would likely be closed and filled with fruit or vegetables.

155 The following comments should be made about this evidence. First, and foremost, the Designs Act makes clear that a visual feature of a design that serves a functional purpose is nevertheless relevant: s 7(2). Thus, the fact that a closure method might exhibit a “functional preference” is not to the point. What is relevant is the contribution that such a feature makes to the visual appearance of the container, considered as a whole.

156 In my view, the wedge-shaped lid in conjunction with the other elements of the closure method make a substantial contribution to the visual appearance of the Taste Bomb container. They

also form a significant point of contrast with RD 3. In addition, these visual features mean that, unlike RD 3, the Taste Bomb container does not exhibit the three elongated openings or vents at the front and at the two sides of the container of RD 3, which are conspicuous visual features of that design. I am satisfied that the notional person would be alert to the differences between the visual features of the Taste Bomb container and of RD 3 in this regard.

157 Secondly, Mr Tabone's evidence in this regard is illustrative of his adoption of a standard which was not the standard specified in s 19(4) of the Designs Act. He accepted in cross-examination that, when giving this evidence in his affidavit, he was referring to the impressions of the ordinary consumer. As I have noted, this does not represent the standard in this case.

Conclusion

158 As I have found above, RD 3 is not substantially similar in overall impression to any of the designs in its prior art base, notwithstanding that it has a number of visual features in common with those designs. Similarly, the design of the Taste Bomb container is not substantially similar in overall impression to RD 3, notwithstanding that it shares a number of visual features in common with RD 3.

159 Compared to RD 3, the Taste Bomb container has a different orientation and is more squat. It does not have the distinctive ribbed peanut-shaped element in its base. Other aspects of the base – especially in relation to the rim – are quite different. The shape and overall appearance of the lid is different. When these sundry visual features are combined with the conspicuous overbite between the lid and the base of the Taste Bomb container, its lack of parallel interface, and the absence of the conspicuous openings or vents at the front and sides of the container, I am satisfied that the Taste Bomb container presents not only a different design, but one that would not be considered by the notional person to be substantially similar in overall impression to RD 3. The quality and relative importance of the similarities, seen in the context of the prior art base, do not lead to a different conclusion.

160 The respondent has not infringed RD 3.

RD 6

Description

161 The application for RD 6 was filed on 2 September 2009, which is its priority date. A statement of newness and distinctiveness was not provided with the application.

162 The design is disclosed in the following filed representations, which are reproduced in Schedule 6 to these reasons:

- (a) Top perspective view – lid open (**representation 1**);
- (b) Top view – lid open (**representation 2**);
- (c) Side view – lid open (**part of representation 3**);
- (d) Side view – lid closed (**part of representation 3**);
- (e) Front view – lid closed (**part of representation 4**) and
- (f) Top view – lid closed (**part of representation 4**).

163 In general terms, the representations depict a substantially rectangular container with a hinged lid and base. The base is deeper than the lid.

164 The base has ribbing which defines two opposing pillars on each corner of the base, the facing sides of which are angled so that the width of each pillar towards the lower part of the base is narrower than its width towards the upper part of the base. The opposing pillars on each corner are combined with a central recessed element between the opposed pillars on each corner which is wider at the lower part of the base than it is at the upper part of the base. The visual effect is to provide a broadly rounded corner between each of the sides of the base.

165 The side walls of the base are substantially perpendicular. They are plain and unribbed. The lower surface of the base is disposed orthogonally to the side walls. Four arcuate foot elements are located on the underside of the lower surface, near each corner of the base. There is a rim on the upper part of the base with an associated planar lip around the upper part of the base just below the rim. The rim and the lip have broadly rounded corners: see representations 1, 2, and 3.

166 The rim of the base has a particular shape and configuration, which is best seen by combining representations 1, 2, and 3. This particular shape and configuration includes three substantial recessed areas located on the front and two sides of the base: see also representation 4.

167 The lid is raised with curved side walls which appear to sit on a thin plinth-like element. This gives the lid a stepped appearance. The lid has an upper surface that is disposed orthogonally to the side walls. Overall, the lid has a dome-like appearance. Mr Tabone referred to the curved side walls giving a “bull-nosed” shape. There are two thin ribs on each side wall which give the appearance that the curved side walls are divided into segments.

168 There is a rim on the lower part of the lid which has broadly rounded corners: see representations 1 and 2. The rim has a particular shape and configuration which, once again, is best seen by viewing representations 1 to 3 together. This particular shape and configuration includes three substantial recessed areas on the front and two sides of the lid: see also representation 4.

169 When the lid and the base are closed, the surfaces of the lid and the base forming the interface between those components are parallel. The three substantial recessed areas in the rim of the lid and the rim of the base cooperate to form three openings or vents of a particular shape at the front and two sides of the container: see representations 3 and 4. These opening or vents appear as if formed in a band running around the container where the lid and the base meet. The opening or vent at the front of the container is more elongated than the openings or vents at the sides. There are eight sets (pairs) of lugs at or near the rim of the lid, which engage with recessed areas at or near the rim of the base when the lid and the base are closed: see representation 2.

The prior art base

170 As I have noted, the asserted prior art base for RD 6 is the same as that asserted for RD 3, with the addition of RD 3 itself and the design of a container depicted in the second patent.

171 The representation of the design of the container depicted in the second patent is reproduced in Schedule 7 to these reasons. It shows a perspective view of an opened container with a hinged lid and base. Only the underside of the lid is shown. It is not possible to know the appearance of the lid, beyond the relatively limited view that is depicted. As in RD 6, the container shown

has a rim on the lower part of the lid which has broadly rounded corners. The shape of the rim includes three substantial recessed areas on the front and two sides of the lid. The lid also has a centrally-located rectangular area. It is possible that the lid has a dome-like appearance, such as that shown in RD 6. However, it is impossible to know whether this is the case. Other shapes are equally possible.

172 More can be discerned from the depiction of the base. The base appears to be significantly deeper than the lid and considerably deeper than the base of the container in RD 6. Otherwise, the base has an appearance that is very similar to the base of RD 6. Notable in this regard is the appearance of the corner pillars and the rim on the upper part of the base, with an associated planar lip. As in RD 6, the rim has three substantial recessed areas located on the front and two sides of the base.

173 It can be inferred that, when the lid and the base are closed, the surfaces of the lid and the base forming the interface between those components would be parallel. It can also be inferred that the three substantial recessed areas in the rim of the lid and the rim of the base would cooperate to form three openings or vents of a particular shape at the front and two sides of the container. It can be inferred that, as in RD 6, the opening or vent at the front of the container would be more elongated than the openings or vents at the sides.

174 The date of publication of the specification of the second patent is 17 September 2009, after the priority date of RD 6 (2 September 2009). It follows that the design depicted in the second patent does not form part of the prior art base for the purpose of considering the scope of RD 6. Nevertheless, this design does form part of the prior art base for the purpose of considering the scope of RD 4. Accordingly, the prior art base for RD 6 comprises RD 1, RD 2, RD 3, the designs of the container depicted in the first patent, and the Infia design.

175 Arguably, the closest design to RD 6 in its prior art base is the first embodiment depicted in the first patent: see, generally, the description in [133] to [134] above. This embodiment is a substantially rectangular container having a hinged lid and base, with the base deeper than the lid. The base has ribbed corner pillars, although the ribbing is different from that in RD 6. The side walls are substantially perpendicular. They are plain and unribbed. The ribbed corner pillars also have a slightly sharper corner than the corresponding elements in RD 6. Significantly, the corner pillars extend under the lower surface of the base to provide feet on

which the base rests. As I have previously noted, these feet are squarish in shape. The side walls are plain and unribbed. The lower surface of the base is disposed orthogonally to the side walls. The base of the first embodiment has the distinctive peanut-shaped element, which is not part of RD 6.

176 Significantly, the rim of the base of the first embodiment has a particular shape and configuration which, as in RD 6, has three substantial recessed areas located on the front and two sides of the base: see figure 1.

177 The lid of the first embodiment has a somewhat different appearance to the lid of RD 6. The lid of the first embodiment is raised with substantially perpendicular side walls which, at their upper ends, curve to an upper, orthogonally-disposed surface: see figure 4. There is a centrally-located raised area on this surface which is rectangular in appearance with concave corners. As I have previously noted, there are ventilation holes, at least at two of these corners: see figures 1 and 2.

178 Importantly, however, the rim of the lower part of the lid of the first embodiment has a particular shape and configuration which, as in RD 6, has three substantial recessed areas located on the front and two sides of the lid.

179 When the lid and the base of the first embodiment are closed, as in RD 6, the surfaces of the lid and the base forming the interface between those components are parallel, and the recessed areas in the rim of the lid and the rim of the base cooperate to form three openings or vents of a particular shape at the front and two sides of the container. As in RD 6, the opening or vent at the front is more elongated than the openings or vents at the sides.

180 The rim of the lid of the first embodiment has eight elongated lugs which cooperate with recesses in the rim of the base, to lock the lid in the base when they are closed. The shape of the lugs in the first embodiment appears to be different from the shape of the corresponding elements in RD 6.

181 The main point of difference between the visual features of the first embodiment of the first patent and RD 6 is the overall shape of the lids of the respective containers.

182 As I have noted above, the prior art base for RD 6 includes RD 3. I will not repeat the description of RD 3, save to note that it too has rim elements on both the lid and the base that provide, when the lid and the base are closed, a parallel interface of the kind to which I have referred with the three elongated openings or vents at the front of the container and at the two sides. The second embodiment depicted in the first patent also has these visual features. The other designs in the prior art base also indicate a parallel interface when the lid and the base are closed.

183 Overall, however, RD 6 is not substantially similar in overall impression to any of the designs in its prior art base.

Comparison of the design of the Kumato container and RD 6

184 There are plainly a number of substantial similarities between the design of the Kumato container (represented by exhibit PCT-38) and RD 6.

185 The Kumato container is substantially rectangular and has a hinged lid and base. Proportionally, these elements are similar to RD 6, although the base appears to be a little less deep.

186 The base has ribbing which defines two opposing pillars and a central recessed area in between. The shape of these elements is not the same as in RD 6. Nevertheless, these elements are closer in appearance to RD 6 than the corresponding elements in the first embodiment of the first patent. They also impart a curvature to the corners of the base, similar to that shown in RD 6.

187 The side walls of the base of the Kumato container are substantially perpendicular. They are plain and unribbed. The lower surface of the base is orthogonally disposed to the side walls. Four arcuate foot elements are disposed on the underside of the lower surface near each corner. The lower surface also has a number of elliptical ventilation holes and, like the Taste Bomb container, is imprinted with certain information. I do not consider these last-mentioned features to be significant when considering the overall impression of this design.

188 The lid of the Kumato container is very similar to the lid in RD 6. The lid is raised with curved side walls which, as in RD 6, sit on a plinth-like element, giving a stepped appearance. The lid

also has an upper surface that is disposed orthogonally to the side walls. The same dome-like appearance is imparted.

189 Unlike RD 6, the lid of the Kumato container does not have ribs on the curved side walls. Also unlike RD 6, the lid of the Kumato container has elliptical ventilation holes in the upper surface. However, I do not place much significance on the presence or absence of the ribs and especially the ventilation holes, when comparing the design of the Kumato container to RD 6.

190 The main visual difference between the Kumato container and RD 6 lies in the features that create their closure methods. The method used in the Kumato container is the same as that employed in the Taste Bomb container. Thus, the upper part of the base of the Kumato container has a band which sits proud of the side walls. On top of this band is a curved lip element. The base of the Kumato container has none of the rim elements present in RD 6 which define the recesses to which I have referred. Like the Taste Bomb container, what is presented is a clean and uniform appearance provided by the unadorned curved lip.

191 The lower part of the lid of the Kumato container has a band, which is considerably wider at the front of the lid than at the back. Once again, the visual effect of this element is to give the lid a wedge-shaped appearance. There is a planar lip below this band. It is disposed orthogonally to the band. The lip runs around the front and sides of the lid and meets the hinge at the back of the lid. The lip appears to be of substantially uniform width. On the inside of the band, near the lip, there are four elongated lugs, two at the front and one on each side. The rim of the lid of the Kumato container does not have the distinctive recessed elements seen in the rim of the lid of RD 6. This provides a clean and uniform appearance, apart from the existence of the four lugs.

192 When the lid and the base of the Kumato container are closed, the combined effect of these features is to create an overbite. The lugs on the inside of the band on the lid engage with the underside of the curved lip on the base, to lock the container. When viewed from the side, the overbite is accentuated by the downwardly sloping (from back to front) lip on the lid.

193 Thus, unlike RD 6, and a number of the designs in the prior art base, the lid of the Kumato container does not sit parallel to the base at the interface between these two components. Nor do the lid and the base of the Kumato container combine to form the three elongated openings

or vents at the front and at the two sides of the container. As with the Taste Bomb container, the Kumato container has no such openings or vents. Once again, ventilation is provided by the ventilation holes in the upper surface of the lid and the lower surface of the base. In order to open the container, the lip on the lid is engaged to lever the lid from the base.

Conclusion

194 Notwithstanding that there are differences in visual features between the design of the Kumato container and RD 6, I am persuaded that the two designs are substantially similar in overall impression. I accept that the notional person would be alert to the visual differences in the base and the lid of the Kumato container that lead to the appearance of the overbite, and the absence of the parallel closure and the openings at the front and sides of the container, when compared with RD 6. However, in my view, the similarities dominate these differences. Although the notional person would regard the design of the Kumato container to have some differences compared to RD 6, he or she would nevertheless regard the Kumato container to be substantially similar in overall impression to RD 6.

195 The respondent has infringed RD 6.

Relief

196 Mr Galombik's evidence was that the respondent continues to supply this container. I am satisfied that an injunction in appropriate form should be granted. I am also satisfied that the applicant has established a basis for ordering an inquiry as to damages or an account of profits in relation to the infringement of RD 6, and for directions (including as to the giving of discovery) to enable the applicant to make its election between those remedies.

RD 4

Description

197 The application for RD 4 was filed on 3 March 2010, which is its priority date.

198 As I have noted, the application included a statement of newness and distinctiveness in the following terms:

Newness and distinctiveness reside in the features of the design shown in solid lines in the representations excluding those features shown in broken lines.

199 The design is disclosed in the following filed representations, which are reproduced in Schedule 8 to these reasons:

- (a) Top perspective view – lid closed (**representation 1**);
- (b) Top perspective view – lid open (**representation 2**);
- (c) Front view – lid closed (**representation 3**);
- (d) Front view – lid open (**representation 4**);
- (e) Side view – lid closed (**representation 5**);
- (f) Side view – lid open (**representation 6**);
- (g) Top view – lid closed (**representation 7**);
- (h) Top view – lid open (**representation 8**); and
- (i) Bottom view – lid open (**representation 9**).

200 RD 4 shares a number of aspects of visual appearance with RD 3. There are, however, some significant differences.

201 In general terms, the representations depict a squarish container having a hinged lid and base. The base is deeper than the lid. The two components appear to have the same general proportionality as in RD 3. As a matter of impression, and like RD 3, the container appears to be slightly longer from front to back than it is from side to side: see representations 2, 8, and 9; compare representations 3 and 5.

202 The base has curved and ribbed corner pillars. However, these pillars are quite different in visual appearance to the corresponding pillars in RD 3. In RD 4, the pillars are differently and more heavily ribbed. They extend down the sides of the base and curve under it to form feet on which the base rests: see representations 1 to 6, 8, and 9. Compared to RD 3, the pillars in RD 4 appear to be thicker and significantly more pronounced. The side walls of the base are substantially perpendicular. They are plain and unribbed.

203 The lower surface of the base is disposed orthogonally to the side walls. Apart from the detail provided by the corner pillars, the side walls of the base are plain and unribbed. There is also

heavy ribbing around the perimeter of the base where the sides meet the lower surface: see representations 3 to 6, 8, and 9. The lower surface of the base includes the distinctive peanut-shaped element: see representations 8 and 9. Unlike RD 3, this element does not appear to be ribbed in RD 4. This is the only element disclaimed as being new and distinctive in the statement of newness and distinctiveness accompanying RD 4. Although particular regard is to be had to the other visual features, it is a visual feature to be taken into account when considering the overall design of RD 4.

204 As in RD 3, the upper part of the base has a rim with an associated planar lip. The lip is disposed orthogonally to the side walls. The particular shape and configuration of the rim is best represented by representation 2. As in RD 3, this particular shape and appearance includes three substantial recessed areas located on the front and two sides of the base: see representations 2 and 6.

205 As in RD 3, the lid in RD 4 has no pillar elements. The lid is raised, with substantially perpendicular side walls that, towards their upper ends, curve to an upper surface which is disposed orthogonally to the side walls. Once again, the curve is quite tight. Unlike RD 3, the corners where the side walls meet each other are chamfered as opposed to arcuate: see representations 3 and 6 to 9.

206 There is a centrally-located raised section on the upper surface of the lid. As in RD 3, this element has concave corners and is orientated so that the longer sides run from the front to the back of the lid. Unlike RD 3, circular ventilation holes are disposed near each corner of the lid. As I have noted, Mr Tabone regarded these ventilation holes to be the most obvious difference between RD 4 and RD 3. I do not agree. It is a difference, but not one on which I place much significance.

207 There is a rim with an associated planar lip towards the lower part of the lid. The corners of this rim are curved, as are the corners of the rim on the base. They form a contrast with the chamfered sections of the raised side walls of the lid: see representation 7 to 9. The rim of the lid has a particular shape and configuration, best depicted in representation 2. As in RD 3, this particular shape and configuration includes three substantial recessed areas located on the front and two sides of the lid: see representations 2 and 6.

208 As in RD 3, when the lid and the base are closed, the surfaces of the lid and the base forming the interface between those two components are parallel. The recessed areas in the rim of the lid and in the rim of the base cooperate to form three elongated openings or vents at the front and two sides of the container: see representations 1, 3, and 5. Once again, these features are conspicuous. They serve the same dual function as in RD 3.

The prior art base

209 The prior art base for RD 4 is the same as the prior art base for RD 6, with the addition of RD 6 itself and the design of the container depicted in the second patent. I have already described the visual features of the designs in question.

210 The design of the second embodiment of the first patent forms part of the prior art base for RD 4, even though it did not form part of the prior art base for RD 3. I have previously remarked that, in my view, the design of the second embodiment depicted in figures 5 to 7 of the first patent is substantially similar in overall impression to RD 3. Unlike RD 3, there are visual features of RD 4 that distinguish it from the design of the second embodiment. I refer in particular to the appearance and configuration in RD 4 of the heavily ribbed corner pillars, the heavy ribbing around the perimeter of the base where the side walls meet the lower surface, and the chamfered corners on the lid. Although it is to be given less significance, I also refer to the presence in RD 4 of the peanut-shaped device on the lower surface of the base in RD 4, which makes some contribution to that design.

211 Overall, RD 4 is not substantially similar in overall impression to any of the designs in its prior art base.

Comparison of the design of the Taste Bomb container and RD 4

212 I have already compared the design of the Taste Bomb container with RD 3 and concluded that it is not substantially similar in overall impression to RD 3. In my view, the design of the Taste Bomb container is even more removed from RD 4 than it is from RD 3. I will not repeat the discussion in [143] to [157] above, as it concerns the features of the Taste Bomb container and its comparison with RD 3. Where there are similarities between RD 3 and RD 4, the same similarities and differences discussed above exist when the Taste Bomb container is compared with RD 4. I will, however, note the following additional matters, which I consider to be of

particular visual significance when regard is had to RD 4. First, the Taste Bomb container does not have the heavily ribbed and pronounced corner pillars on the base that curve under to form the feet elements, as shown in RD 4. Secondly, the Taste Bomb container does not have the heavy ribbing around the perimeter of the base where the side walls meet the lower surface. Thirdly, although it is to be given less significance, the Taste Bomb container does not have the peanut-shaped device on the lower surface of its base.

Comparison of the design of the Medley Mix container and RD 4

213 In my view, it cannot be concluded on any reasonably objective basis that the design of the Medley Mix container (represented by exhibit PCT-41) is substantially similar in overall impression to RD 4.

214 The Medley Mix container is a rectangular container having a hinged lid and base. The base is deeper than the lid. The proportionality of the lid and the base is markedly different from that shown in RD 4. The Medley Mix container presents as a squat container. Mr Tabone accepted that it was a “long flattish rectangular container”.

215 The base has unribbed corner pillars. The side walls are substantially perpendicular. They are plain and unribbed. The lower surface of the base is disposed orthogonally to the side walls. There are four squarish feet elements on the underside of the lower surface, located at its corners.

216 The lid of the Medley Mix container is raised with substantially perpendicular side walls that, at their upper ends, curve to an upper, orthogonally-disposed surface. There is a centrally-located raised area on this surface. This feature is rectangular in appearance with concave corners. The raised feature is orientated longitudinally (in this case, across the face of the lid, from side to side). There are circular ventilation holes near the corners, both within and outside the raised area.

217 The rim of the base and the rim of the lid have substantially the same appearance as the rim of the base and the lid of the Taste Bomb container and the Kumato container, making allowance for the fact that, in the Taste Bomb container, the rims are substantially square, conformably with the overall square shape of that container.

218 Further, the Medley Mix container does not have heavily ribbed and prominent corner pillars on its base, a heavily ribbed perimeter on the lower part of the base where the side walls meet the lower surface, or the peanut-shaped device.

219 Although there are some common design elements, which are present in the prior art, the appearance of the Medley Mix container is, in my view, substantially different from the appearance of RD 4.

Conclusion

220 The respondent has not infringed RD 4.

PATENT INFRINGEMENT

The first patent

Introduction

221 As I have noted, the only issue in relation to the first patent is whether the applicant is precluded from now suing the respondent for infringement by reason of contract. This requires an analysis of the correspondence passing between the parties and their conduct at the time of that correspondence.

Correspondence and conduct

222 In February 2010, the applicant became aware of the supply of the first Kumato container. Mr Tse saw Kumato tomatoes packed in a container in a Coles supermarket in Rhodes, New South Wales. He also saw a container of the same design at a Woolworths supermarket in Morayfield, Queensland.

223 On 17 March 2010, the applicant's then patent attorneys wrote a letter of demand to the respondent. In the letter, the attorneys drew attention to the first patent and the applicant's rights in respect of it. The letter concluded with the demand that the respondent provide, within 21 days of the letter, a written undertaking concerning the exploitation of any "produce container assembly" the subject of the first patent.

224 The respondent's then solicitors replied by letter dated 6 April 2010. In that letter, they said that the respondent was prepared to provide "written undertakings" on a certain basis and invited the provision of a draft for the respondent's consideration and approval.

225 In response, the applicant's attorneys sent a draft Deed of Undertaking in a letter dated 15 April 2010. Apparently the respondent's solicitors were unable to obtain instructions on the draft because of Mr Galombik's absence overseas until 30 April 2010. They wrote to the applicant's attorneys advising of this fact. The applicant's attorneys responded on 29 April 2010. They noted that there had been an increase in the marketplace of the first Kumato container and sought urgent resolution of the matter.

226 On 5 May 2010, the respondent's solicitors communicated a proposal to the applicant's attorneys in an attempt to resolve the matter. The proposal was rejected. In a letter dated 6 May 2010, the applicant's attorneys said:

Multisteps have instructed us to advise Source and Sell that unless Source and Sell gives the undertakings requested in the Deed of Undertakings (including the undertaking to deliver up the product to Multisteps for destruction within 7 days), stops exploiting the invention and removes its product from the market by Friday 7 May 2010, they will proceed with action in court.

227 In a letter to the applicant's attorneys dated 14 May 2010, the respondent's solicitors stated that the first patent "may be fundamentally flawed and thus not enforceable". They then recommunicated the respondent's proposal. In part, the letter stated:

Without any admission of liability, and without prejudice to its rights, our client has instructed us to re-communicate its offer to settle on the basis of the following: -

1. Our client provide the Undertakings in the form as submitted by you or as further agreed between the parties; and
2. No term of the undertakings will prevent our client from selling out any current quantity of stock of the so-called infringing product whether such quantities are currently located in Australia or elsewhere until 30 June, 2010 provided our client account to your client for 50% of the net profits which our client may earn on the sale of the products, whereafter any unsold quantities will be delivered up to your client.

We would be grateful if you would forward the offer to settle as comprised herein to your client and obtain its instructions thereto as soon as possible.

228 This offer was again rejected. Notice of this rejection was given in a letter dated 21 May 2010 by solicitors who had then been instructed to act for the applicant. After expressing concern

“regarding the failure of your client to adequately address what our client believes is a fundamental breach of its intellectual property rights”, the letter advanced a revised proposal. The substance of this proposal was that, by 5.00 pm on 24 May 2010, the respondent should:

- execute the draft Deed of Undertaking with certain amendments;
- prepare for publication “in media to be nominated by our client” acknowledgments that the respondent had infringed the first patent, that the first Kumato container was of inferior quality to the applicant’s embodiment of the product claimed in the patent, and that the respondent’s actions had damaged the applicant’s reputation;
- identify in writing the manufacturer and supplier of the first Kumato container;
- provide all information necessary for the applicant to accurately identify all revenue received by the respondent from the sale of the first Kumato container, including the name of each person to whom the container had been supplied;
- pay 50% of its net profit received or to be received from the supply of the first Kumato container; and
- immediately cease to supply the first Kumato container and provide a written undertaking to that effect.

229 The letter concluded by threatening the commencement of proceedings should the applicant’s revised proposal not be accepted.

230 The respondent’s solicitors responded by letter dated 25 May 2010. This letter has assumed central importance in this part of the case. In effect, the letter rejected the applicant’s revised proposal, even though the time for accepting it had expired. The letter:

- disputed that the applicant’s reputation had been damaged by any alleged breach of the first patent by the respondent;
- identified the manufacturer of the first Kumato container;

- noted that the respondent had only one customer for the first Kumato container, whose identity was already known by the applicant (that is, Moraitis);
- disputed that there was any benefit to the applicant or anyone else in the publication of the acknowledgments that the applicant required; and
- advised that the respondent had derived no profit from its importation and supply of the first Kumato container.

231 The letter included the following statement:

Our client has ceased the supply of any further units of the so-called infringing product and the **enclosed** Deed of Undertaking should satisfy your client not only in this regard but in regard to the continued supply by our client of “a product that infringes upon (your) client’s intellectual property” ...

232 The letter concluded by stating:

Should we not hear from you to the contrary we will assume that the foregoing satisfies your client’s requirements regarding the resolution of this matter.

233 There is no doubt that, by this letter, the respondent was communicating to the applicant that the respondent considered some of the applicant’s demands to be unwarranted and excessive and that the respondent was only prepared to meet the applicant part of the way.

234 The letter enclosed a signed copy of the Deed of Undertaking (**the Deed**), incorporating the amendments identified in the applicant’s solicitors’ letter dated 21 May 2010. The Deed included the following provisions:

2. Source and Sell will, by 7 June 2010, deliver up to Multisteps, or as it directs, all stocks of products incorporating the protected features of the produce container assembly that is the subject of the Innovation Patent.

...

5. Source and Sell understands that any breach of this Undertaking may result in the commencement of legal proceedings with respect to acts undertaken before and after the date of this Deed and without any further notice being provided by Multisteps.

235 As noted above (at [227]), the respondent’s solicitors had earlier alleged that the first patent “may be fundamentally flawed and thus not enforceable”. At some stage before 22 June 2010,

the applicant engaged new patent attorneys. By emails sent on 22 and 24 June 2010, the new attorneys wrote to the respondent's solicitors seeking details of this allegation. A response was provided by letter dated 25 June 2010. In a letter dated 1 July 2010, the applicant's new attorneys:

- rejected the response and said that it did not provide any basis for affecting the enforceability of the first patent;
- noted that, despite the Deed, the respondent had failed to deliver up by 7 June 2010 "any stock of products incorporating the protected features of the produce container assembly [the] subject of our client's patent";
- noted that the respondent had failed to provide the applicant with information that could accurately identify all revenue received from exploitation of the first Kumato container; and
- advised that the applicant required compensation, and financial information to enable it to assess the compensation sought.

236 The letter concluded by stating that, if this information was not provided by 2.00 pm on Friday 2 July 2010, the applicant intended to "proceed with legal action forthwith without further notice to you".

237 On the same day, the respondent's solicitors replied, seeking time within which to consider and respond to the applicant's demands. The reply included the following:

Furthermore, given that this matter was resolved by virtue of the Undertakings provided by our client on or about 25 May, 2010, it may be that your client has waived any right which it may have had to claim compensation from our client, which right is not admitted.

238 It seems that, at this time, Mr Galombik was again overseas and not due to return to Australia until the middle of July. Mr Galombik's evidence was that, on 13 July 2010, he returned to Australia and, shortly thereafter, commenced arrangements to have the remaining stock of the first Kumato container delivered to the applicant's warehouse. Mr Galombik did not seek to explain why no earlier step had been taken to deliver up the stock. On 20 July 2010, the

respondent attempted to deliver 30,400 units of the first Kumato container to the applicant's warehouse. This delivery was refused. The delivery truck returned the containers to the respondent's warehouse later that day.

239 Correspondence ensued in relation to the applicant's refusal to accept the delivery proffered by the respondent on 20 July 2010. In an email dated 26 July 2010, the applicant's attorneys reiterated that the proffered delivery was after the time provided in the Deed and advised, amongst other things, that they were seeking instructions as to whether the applicant was now prepared to accept such delivery. The attorneys also reiterated the applicant's claim for compensation and its requirement for information to determine the amount of that compensation.

240 In a letter dated 27 July 2010, the respondent's solicitors stated that the respondent was "entitled to continue to rely on the information provided in our letter of 25 May, 2010 ... and the Deed of Undertaking enclosed therewith, as having resolved this matter". The applicant's attorneys disagreed with this claimed entitlement. Further correspondence ensued.

241 On 1 September 2010, the applicant accepted the respondent's delivery of the remaining stock of the first Kumato container following communication from Mr Galombik that he wished to "dispose of the punnets".

The parties' submissions

242 The respondent's case is that its solicitors' communication of 25 May 2010 (see [230] to [234] above) constituted a counter-offer to the applicant's revised proposal of 21 May 2010. The respondent submits that the terms of this counter-offer signified "compliance with all but one of the terms of the Applicant's earlier proposal". That submission is factually incorrect. The respondent did not provide the acknowledgements for publication or the financial information that the applicant had sought. Furthermore, the respondent did not agree to provide the financial compensation that the applicant had sought. The respondent expected the applicant to be satisfied with its mere assertion that it had derived no profit from its importation and supply of the first Kumato container. Nevertheless, the respondent submits that, after the respondent's communication of 25 May 2010, the applicant's silence, coupled with the fact that it "retained and relied upon the undertaking", constituted acceptance of the counter-offer.

243 In its written submissions, the respondent put its argument as follows:

By retaining and positively relying on the undertaking in the circumstances in which it came to the Applicant, and by the Applicant not in the days that followed the Respondent's proposal writing back to the Respondent and stating that the proposal was not acceptable and in the process returning the undertaking, the Applicant accepted the Respondent's counter-offer and the disputes the subject of this claim were resolved.

244 The applicant disputes that there was an acceptance of the respondent's counter-offer, leading to a contract between the parties by which "the disputes the subject of this claim were resolved". Alternatively, it submits that the respondent's failure to deliver up the remaining stock of the first Kumato container by 7 June 2010, as required by clause 2, enlivened clause 5 of the Deed, permitting the applicant to bring the present proceeding for infringement of the first patent.

245 In answer, the respondent makes two submissions. First, it submits that, properly construed, clause 5 only permits the applicant to sue the respondent in respect of the acts giving rise to a breach of the Deed, and not in respect of other acts. Secondly, in relation to the failure to deliver up, the respondent submits that the applicant has waived that breach by accepting the respondent's later performance: see [241] above.

Consideration

246 In *Empirnall Holdings Pty Ltd v Machon Paull Partners Pty Ltd* (1988) 14 NSWLR 523, McHugh JA (with whom Samuels JA agreed) said (at 534D to 535E):

Under the common law theory of contract, the silent acceptance of an offer is generally insufficient to create any contract: *Brogden v Metropolitan Railway Co* (1877) 2 App Cas 666 at 692 and *Robophone Facilities Ltd v Blank* [1966] 1 WLR 1428 at 1432; [1966] 3 All ER 128 at 131-132. The objective theory of contract requires an external manifestation of assent to an offer. Convenience, and especially commercial convenience, has given rise to the rule that the acceptance of the offer should be communicated to the offeror. After a reasonable period has elapsed, silence is seen as a rejection and not a acceptance of the offer. Nevertheless, communication of acceptance is not always necessary. The offeror will be bound if he dispenses with the need to communicate the acceptance of his offer: *Carlill v Carbolic Smoke Ball Co* [1893] 1 QB 256 at 269. However, an offeror cannot erect a contract between himself and the offeree by the device of stating that unless he hears from the offeree he will consider the offeree bound. He cannot assert that he will regard silence as acceptance: *Felthouse v Bindley* (1862) 11 CB (NS) 869 at 875; 142 ER 1037 at 1040 and *Fairline Shipping Corporation v Adamson* [1975] QB 180 at 189. The common law's concern with the protection of freedom is opposed to the notion that a person must take action to reject an uninvited offer or be bound by contractual obligations.

Nevertheless, the silence of an offeree in conjunction with the other circumstances of

the case may indicate that he has accepted the offer: *Rust v Abbey Life Assurance Co Ltd* [1979] 2 Lloyd's Rep 334 at 340. The offeree may be under a duty to communicate his rejection of an offer. If he fails to do so, his silence will generally be regarded as an acceptance of the offer sufficient to form a contract. Many cases decided in United States jurisdictions have held that the custom of the trade, the course of dealing, or the previous relationship between the parties imposed a duty on the offeree to reject the offer or be bound: *CMI Clothesmakers Inc v ASK Knits Inc* 380 NYS 2d 447 (1975); *Brooks Towers Corporation v Hunkin-Conkey Construction Co* 454 F 2d 1203 (1972); *Alliance Manufacturing Co Inc v Foti* 146 So 2d 464 (1962). But more often than not the offeree will be bound because, knowing of the terms of the offer and the offeror's intention to enter into a contract, he has exercised a choice and taken the benefit of the offer. In *Laurel Race Course Inc v Regal Construction Co Inc* 333 A 2d 319 (1975) a contractor proposed that it would do additional work upon the basis that, if the work was the result of its defective workmanship under the original contract, there would be no charge. Otherwise the work would be charged on a "cost-plus" basis. The building owner made no reply to this offer. The contractor commenced work on the job to the knowledge of the building owner who was held bound by the terms of the offer. Speaking for the Court of Appeals for Maryland, Judge Levine said (at 329):

"... Where the offeree with reasonable opportunity to reject offered services takes the benefit of them under circumstances which would indicate to a reasonable person that they were offered with the expectation of compensation, he assents to the terms proposed and thus accepts the offer."

This formulation states acceptance in terms of a rule of law. However, the question is one of fact. A more accurate statement is that where an offeree with a reasonable opportunity to reject the offer of goods or services takes the benefit of them under circumstances which indicate that they were to be paid for in accordance with the offer, it is open to the tribunal of fact to hold that the offer was accepted according to its terms. A useful analogy is to be found in the "ticket cases" where an offeree, who has or ought to have knowledge of the terms of a contract of carriage or bailment, is generally bound unless he raises objection: cf *Thornton v Shoe Lane Parking Ltd* [1971] 2 QB 163 at 169 and *MacRobertson Miller Airline Services v Commissioner of State Taxation (Western Australia)* (1975) 133 CLR 125 at 136-140.

The ultimate issue is whether a reasonable bystander would regard the conduct of the offeree, including his silence, as signalling to the offeror that his offer has been accepted.

247 The same principles were discussed by Kirby P at 527F to 529A.

248 I am not persuaded that the applicant's silence – such as it was – or its conduct should be taken as signifying that it had accepted the respondent's counter-offer. It was, no doubt, the respondent's earnest hope that the applicant would be persuaded to accept it. In the period immediately following the respondent's solicitors' letter dated 25 May 2010, the respondent may have been buoyed by the thought that "no news" was "good news". But the applicant was entitled to digest the counter-offer and weigh the situation so that it could come to an informed and considered decision as to whether the counter-offer should be accepted. It could not be

bound by the respondent's unilaterally proclaimed assumption that the applicant's requirements would be satisfied by what the respondent was prepared to offer on 25 May 2010. As events transpired, the applicant's silence was relatively short-lived.

249 On 22 June 2010, the applicant's attorneys asked the respondent to make good its assertion that the first patent was "fatally flawed and unenforceable". In the email of 24 June 2010, the attorneys pressed for a response and made explicit their reasons for seeking that information:

We require that information, if it exists, to assess our client's position with regard to enforcement of our client's patent.

250 But for the applicant's silence – which, in the interim, was at best equivocal – nothing had occurred between 25 May and 24 June 2010 that would signify that the applicant had accepted the counter-offer. Even the respondent had taken no steps that would show that it was proceeding on the basis of a concluded and binding agreement. Indeed, to the contrary, it had taken no steps to deliver up its remaining stock of the first Kumato container, as it had represented it would do in the Deed it had provided. The attorneys' email of 24 June 2010 makes sufficiently clear that the applicant was still considering its position. The respondent could not reasonably think that its counter-offer had been accepted.

251 On 1 July 2010, after receiving the respondent's explanation for its assertion that the first patent was unenforceable, the applicant's attorneys persisted in the applicant's claim for compensation and for the provision of information from which it could accurately identify all the revenue received by the respondent from the sale of the first Kumato container. By that response, the applicant made clear that the respondent's counter-offer was rejected. In substance, the applicant advanced a further revised proposal that did not require the respondent to make the public acknowledgements that it had sought on 21 May 2010. The question of compensation, and the provision of financial information, remained the applicant's unfulfilled requirements.

252 The present case is not one where, by reason of the custom of a particular trade, or by reason of a course of dealing or previous relationship between the parties, it could be argued, as it has been in some jurisdictions, that a duty was imposed on the applicant, as offeree, to reject the respondent's counter-offer or be bound by it: see *Empirnall* at 534G. Nor is the present case one where, knowing of the terms of an offer, and an offeror's intention to enter into a contract

on those terms, the applicant has exercised a choice and taken the benefit of the offer: see *Empirnall* at 535A-535D.

253 In this latter connection, the respondent submits that the applicant has taken the benefit of the counter-offer by retaining and relying on the Deed. I do not accept that submission. In my view, the applicant's retention of the Deed is without legal significance in the present case. The respondent provided the Deed in circumstances of its own choosing, and as part of a strategy to force the issue with the applicant by giving it what the respondent thought might be enough to resolve the controversy between them. To hold that the applicant's mere retention of the Deed in the period up to 1 July 2010 – when it clearly rejected the counter-offer – would be to hold that the applicant came under an immediate obligation to return the Deed to the respondent, even while it was considering the counter-offer. This plainly cannot be taken to have been the respondent's intention at the time. Moreover, the applicant cannot be taken to have relied upon the Deed in any operative way by its attorneys merely noting in their letter of 1 July 2010 that, despite delivery of the Deed, the respondent had failed to deliver up the stock of the first Kumato container. In context, that observation appears to be no more than a reflection of the applicant's concern regarding the respondent's preparedness to genuinely settle the dispute: the respondent had not done what it had said it would do.

254 My conclusion means that the applicant has remained free to bring proceedings against the respondent for infringement of the first patent. In the circumstances, it is not necessary to decide the alternative basis on which the applicant says it can proceed, namely, through the operation of clause 5 of the Deed.

Relief

255 The applicant has sought an injunction to restrain further infringement of the first patent. Mr Galombik has given evidence that the respondent no longer supplies the first Kumato container. There was no challenge to this evidence. There is no evidence to suggest any continued threat of infringement of the first patent. I am not satisfied that, in the circumstances, an injunction is warranted.

256 The applicant has also sought orders for an inquiry as to damages or, alternatively, an account of profits. It has sought directions (including as to the giving of discovery) to enable it to make an election between those remedies. The respondent resists the granting of any such relief.

257 There is evidence that the respondent has supplied in excess of 500,000 units of the first Kumato container to Moraitis. The evidence makes clear that this occurred as part of an attempt to copy a sample of the applicant's CJ-200H container, at Moraitis' behest, which the applicant was then supplying to Moraitis. It is at least possible – I do not say more at the present time – that these sales, or some part of them, were made at the expense of sales that might otherwise have been made by the applicant of its own container and that, as a result, it suffered loss.

258 As to profits, the applicant has maintained that it made a loss in relation to its supply of the first Kumato container. It certainly asserted that it had made no profit at the time of its counter-offer. The applicant was not prepared to act on that assertion. After the commencement of the present proceeding, the respondent supplied the applicant with material in an attempt to persuade it of that fact. This material included a letter from a firm of chartered accountants, stating that a loss had been made. The letter makes clear, however, that the accountants relied on unaudited information provided by the respondent. I do not consider that letter to be of any real probative value for present purposes. At an interlocutory stage in the proceeding, the applicant sought, and the respondent resisted, the giving of discovery in relation to certain financial material. At that time, the respondent's position was that discovery in that regard would not then be appropriate and should only be given in the event that liability against it was found. The applicant did not press its claim for discovery at that time. Moreover, during the hearing, some documents in relation to sales and costs were produced by the respondent in response to a call from the applicant. However, Mr Galombik made clear in his cross-examination that, although the production represented the respondent's best efforts on short notice, he had not personally satisfied himself that the production represented complete and accurate information on that question.

259 In this state of affairs, I do not think that it would be an appropriate exercise of discretion to deny the applicant the opportunity to pursue a claim for pecuniary relief, as the respondent contends I should. It seems to me that the applicant is at least entitled to discovery to enable it to decide whether it wishes to pursue such a claim, including as to the specific form of relief.

260 The applicant has made a claim for additional damages. Although the parties have made submissions on the applicant's entitlement to such damages, I do not propose to make any findings on that question at the present time. As the text of s 122(1A) of the Patents Act

recognises, that question can only be addressed sensibly in the context of the applicant's final claim for pecuniary relief.

The second patent

Introduction

261 The issues in relation to the second patent are whether (a) claims 1 to 4 are valid in light of the allegation that the invention as claimed in those claims is not novel and does not possess, in any event, an innovative step, and (b) whether the Kumato container possesses all the essential features of claim 5.

262 The second patent was filed on 7 August 2009. This is the relevant priority date of the claims: see s 43(2) of the Patents Act.

263 The claims are as follows:

1. A plastic container suitable for fruit, the container including a bottom having a plurality of protruding legs, each leg following a curved path which is parallel to the bottom.
2. The plastic container of claim 1, which has a hinged lid which includes a plurality of ventilation holes.
3. The plastic container of claim 2, wherein the lid is generally rectilinear in shape and has two ventilation holes located in a first side near the hinge, two ventilation holes located in a second side opposite the first side and one ventilation hole in each of the other two sides.
4. The plastic container of claim 2 or 3, which also includes ventilation holes in the bottom.
5. A plastic container substantially as herein described with reference to any one of the accompanying drawings.

264 The specification records that the alleged invention "relates to improvements in devices in plastic container [sic] for fruit packaging". These "improvements" are said to involve "six major aspects" which are identified as eight friction points; six ventilation holes on the lids and eight ventilation holes at the bottom of the container; four protrusions (legs) at the bottom of the container; the notch to open the container; two ventilation openings at the two sides of the container; and a wider hinge.

265 In relation to the “legs”, the specification states:

This innovation consists of 4 small protrusions or called legs at the bottom of the container (see item “3” in Figure 1) to provide extra friction to the container to enable it to sit on any surface stably.

266 No other reference or description of the legs appears in the specification other than in claim 1 which characterises each leg as “following a curved path which is parallel to the bottom” and in the illustration of that feature depicted in figure 1 (which I have included in Schedule 7 to these reasons).

The prior art base

267 As originally particularised, the prior art base for the purpose of determining the validity of claims 1 to 4 of the second patent was confined to prior art information consisting of the sale and distribution in Australia from at least about 2006 of two containers referred to as “the Tacca Containers” and the sale and distribution in Australia from at least about 2007 of a container referred to as “the Source and Sell Container”. As the hearing proceeded, the respondent only relied, in this regard, on the Tacca punnet represented by exhibit RG-6 and the Source and Sell container represented by exhibit RG-10.

268 For the reasons set out in [101] to [109] above, I am not satisfied that either the Tacca punnet represented by exhibit RG-6 or the Source and Sell container represented by exhibit RG-10 has been shown to be part of the prior art base for the invention claimed in the second patent. The consequence of this finding is that these containers cannot be taken into account when considering the grounds of invalidity.

269 During the course of the hearing, I granted leave to the respondent to amend its particulars to rely on Mr Tabone’s evidence that plastic containers suitable for fruit included containers with four legs. In that connection, Mr Tabone gave the following evidence in paragraph 12 of his second affidavit:

In relation to the four legs at the bottom of the container, it is my opinion that having legs on a container was not a new concept at 7 August 2009. However, I was not aware of the use of protruding legs in the noted shape, which is in an arc type shape, prior to 7 August 2009 and this may be a new concept.

270 This statement was also referred to in paragraph 21 of his second affidavit.

271 In submissions, the respondent also sought to rely on RD 1 and RD 2 as relevant prior art. The publication of these designs was not pleaded as prior art for the purpose of the second patent, and no leave was sought to amend the respondent's particulars in that regard. The respondent should be held to its pleaded and particularised case.

Novelty

272 An invention will not be a patentable invention for the purposes of an innovation patent if the invention, so far as claimed in any claim, is not novel when compared with the prior art base as it existed before the priority date of that claim: s 18(1A)(b)(i) of the Patents Act. Relevantly to the present case, an invention is to be taken to be novel when compared with the prior art base unless it is not novel in the light of prior art information made publicly available in a single document or through doing a single act: s 7(1)(a) of the Patents Act.

273 In the present case, the prior art base particularised and established by the respondent contains limited prior art information. It is essentially confined to the fact that containers of the kind referred to in paragraphs 12 and 21 of Mr Tabone's second affidavit had four legs.

274 In my view, the respondent's case falls well short of establishing that the invention, as claimed in claims 1 to 4 of the second patent, is not novel.

Innovative step

275 An invention will not be a patentable invention for the purposes of an innovation patent if the invention, so far as claimed in any claim, does not involve an innovative step: s 18(1A)(b)(ii) of the Patents Act. Relevantly to the present case, an invention is to be taken to involve an innovative step when compared with the prior art base unless the invention would, to a person skilled in the art, in the light of the common general knowledge as it existed in the patent area before the priority date, only vary from certain forms of prior art information in ways that make no substantial contribution to the working of the invention: s 7(4) of the Patents Act.

276 The relevant principles are discussed in *Dura-Post (Aust) Pty Ltd v Delnorth Pty Ltd* (2009) 177 FCR 239 at [49]-[79] and [91]-[98]. The essential task is to compare the invention as claimed with the relevant prior art information; to identify the difference or differences between that which is claimed in the patent and that which is disclosed in the relevant prior art

information; and to determine whether the difference or differences make a substantial contribution to the working of the invention as claimed. A substantial contribution is one that is “real” or “of substance”.

277 Mr Tabone and Mr Papi addressed the following question in their joint report:

Second Patent 2009100783: Innovative step: does each or any integer make a substantial contribution to the working of the invention?

278 In addressing this question, Mr Tabone and Mr Papi systematically considered each integer of claims 1 to 4. Other than for one integer, each expressed the opinion that none of the integers of those claims makes a substantial contribution to the working of the invention over the prior art. There is no evidence to the contrary. The integer in dispute is the following emphasised integer of claim 1:

A plastic container suitable for fruit, the container including a bottom having a plurality of protruding legs, *each leg following a curved path which is parallel to the bottom.*

279 Mr Tabone’s evidence, on which the applicant relies, was that this integer makes a substantial contribution to the working of the invention as claimed. Mr Papi disagreed.

280 Mr Tabone and Mr Papi did not identify any particular prior art information when expressing these opinions in the joint report. There is no doubt, however, that the prior art information includes the fact that plastic containers suitable for fruit included containers with four legs: see [269], [270], and [273] above.

281 In the joint report, Mr Tabone explained the contribution he understood the curved legs to make:

... [T]he protruding feet at the four corners of the base, in following a curved path, have a significant function when the plastic container has a raised section on the lid as illustrated in Figure 1 of the second Patent. The curved feet locate with the raised section when one plastic container is stacked on another, in store or when on a pallet. This adds further stability to the stacked containers.

282 This evidence repeated the substance of earlier evidence given by Mr Tabone in his third affidavit. It is clear that Mr Tabone’s evidence speaks of a particular working interrelationship between the curved legs identified in claim 1 and another specific component: a plastic container which has a lid of a particular shape and configuration with which the legs of the first

container are to engage when the first container is stacked on the other container, to provide further stability.

283 Leaving aside the question of whether this particular working interrelationship can provide the requisite innovative step, there are two matters to note.

284 First, it is a legal requirement that a complete specification must describe the invention fully, including the best method known to the applicant of performing the invention: s 40(2)(a) of the Patents Act. The interrelationship which Mr Tabone's evidence addresses is not described in the complete specification of the second patent. This clearly suggests that it is not within the contemplation of that patent. The function ascribed to the curved legs in the complete specification is that they provide "extra friction" to enable the container to sit stably on *any* surface.

285 Secondly, and more fundamentally, the interrelationship which Mr Tabone's evidence addresses is not secured by the wording of any of claims 1 to 4. In other words, absent appropriate words of limitation to confine the invention to embodiments having this interrelationship, claims 1 to 4 extend to include embodiments that do not possess the asserted innovative step. This is fatal to the validity of these claims because, on the evidence, no other innovative step exists to support them.

286 Mr Papi challenged Mr Tabone's opinion that, as a matter of fact, the curved legs do provide a substantial contribution to the working of the invention as claimed. He gave evidence that the curved legs are too far outside the raised section of the illustrated lid and that the raised section of the illustrated lid is too shallow to engage with the curved legs to provide additional stability. As the discussed interrelationship is not claimed or even contemplated by the second patent, it is not necessary for me to resolve that debate.

287 As claims 1 to 4 of the second patent are not valid, they cannot be infringed.

Infringement of claim 5

288 Mr Tabone and Mr Papi each expressed the opinion that the Kumato container possesses all the essential features of claim 5 of the patent. As I have noted, I do not accept the correctness of their opinions.

289 Claim 5 is an omnibus claim. It claims a plastic container “substantially as herein described with reference to any one of the accompanying drawings”. There is, in fact, only one such drawing, namely, figure 1 reproduced in Schedule 7 to these reasons. This is significant. Figure 1 plainly identifies the particular embodiment of the invention to which claim 5 is directed.

290 Moreover, the words “substantially as herein described” plainly refer to the description of the container in the body of the specification. I reject the applicant’s submission that these words refer to the container defined in the preceding claims. In form and in substance, claim 5 is not a dependent claim. In particular, it is not dependent on claim 1. The position in relation to claim 5 is to be contrasted with claims 2 to 4, which are expressed to be dependent on claim 1 or a claim dependent on claim 1.

291 Further, due recognition must be given to the word “substantially”. This means “in substance”. So expressed, the claim defines a plastic container in which each of the “six major aspects” described in the specification are present as essential features. Each of these features is discussed in the body of the specification with reference to the container illustrated in figure 1. I accept the applicant’s submission that, in the present case, it is not necessary for every detail in figure 1 to be present in order for infringement to be found: see the observations of Middleton J in *Britax Childcare Pty Ltd v Infa-Secure Pty Ltd [No 3]* [2012] FCA 1019 at [44]; cf *Beltreco* at [153]; *Synthetic Turf Development Pty Ltd v Sports Technology International Pty Ltd and Others* (2005) 64 IPR 281 at [247]. I do not accept, however, that this means that claim 5 can be infringed by a container that does not possess each of the “six major aspects”. These are not matters of mere detail. They are essential features of the embodiment that is illustrated and described. Claim 5 claims, in substance, the same container illustrated in figure 1, minor variances aside: *Raleigh Cycle Coy. Ld. and Another v. H. Miller and Coy. Ld.* (1948) 65 RPC 141 at 159.

292 When this is appreciated, it can be seen that the Kumato container does not have all the essential features of the container described with reference to figure 1. It does not have the notch to open the container or the two ventilation openings at the two sides of the container. It does not have the eight friction points described in the body of the specification. It does not have six ventilation holes in the lid and eight ventilation holes at the bottom of the container. The absence of any of these features means that the Kumato container cannot infringe claim 5. The

contrary opinions expressed by Mr Tabone and Mr Papi reflect that, in expressing their opinions, they did not have regard to the proper construction of the claim.


Conclusion on infringement of the second patent

293 The respondent has not infringed claims 1 to 4 of the second patent because those claims are invalid. The respondent has not infringed claim 5 of the second patent.

DISPOSITION

294 The parties are to bring in draft orders giving effect to these reasons. In the absence of agreement, each party is to provide a draft of the orders it proposes, supported by written submissions not exceeding three pages in length. The agreed draft, or proposed drafts and submissions, are to be provided within seven days.

Schedule 1

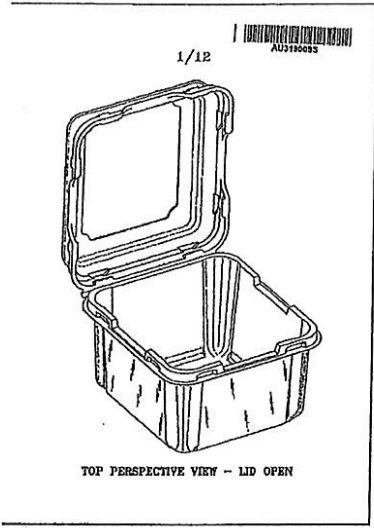
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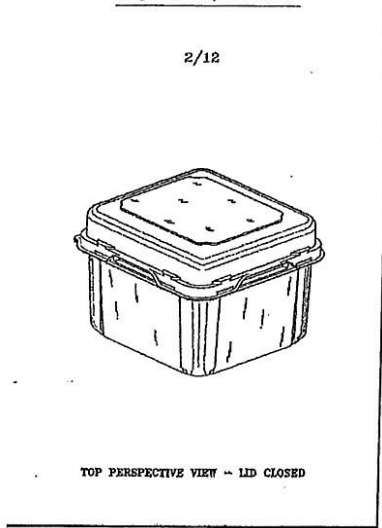
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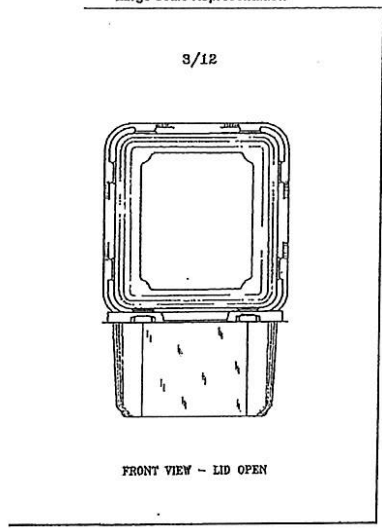
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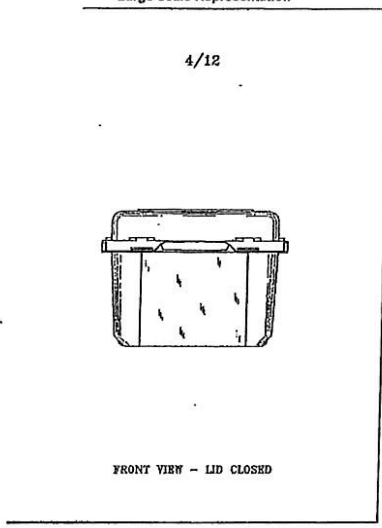
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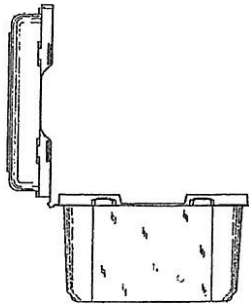
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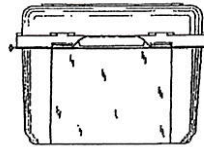
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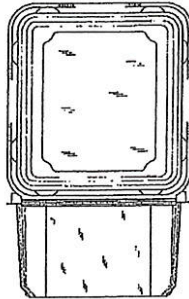
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7/12



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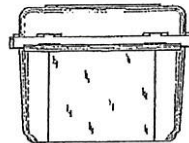
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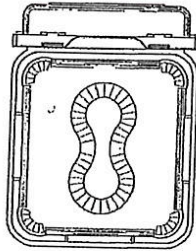
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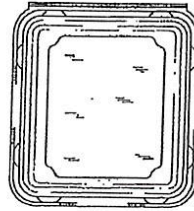
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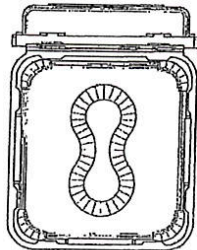
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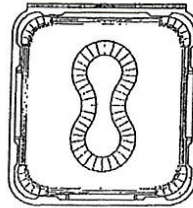
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12/12



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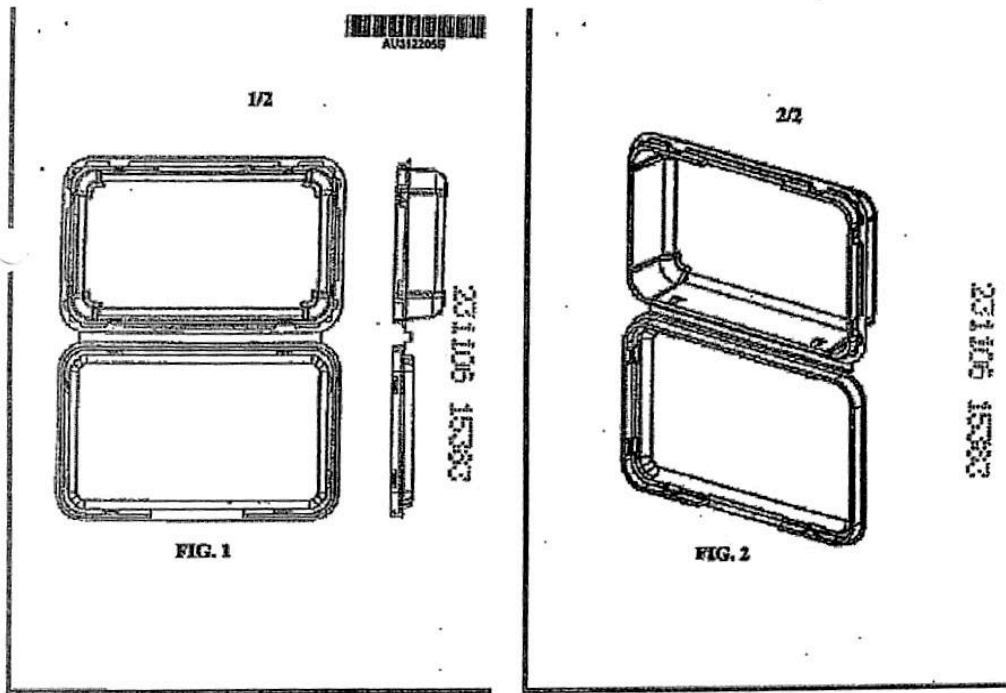
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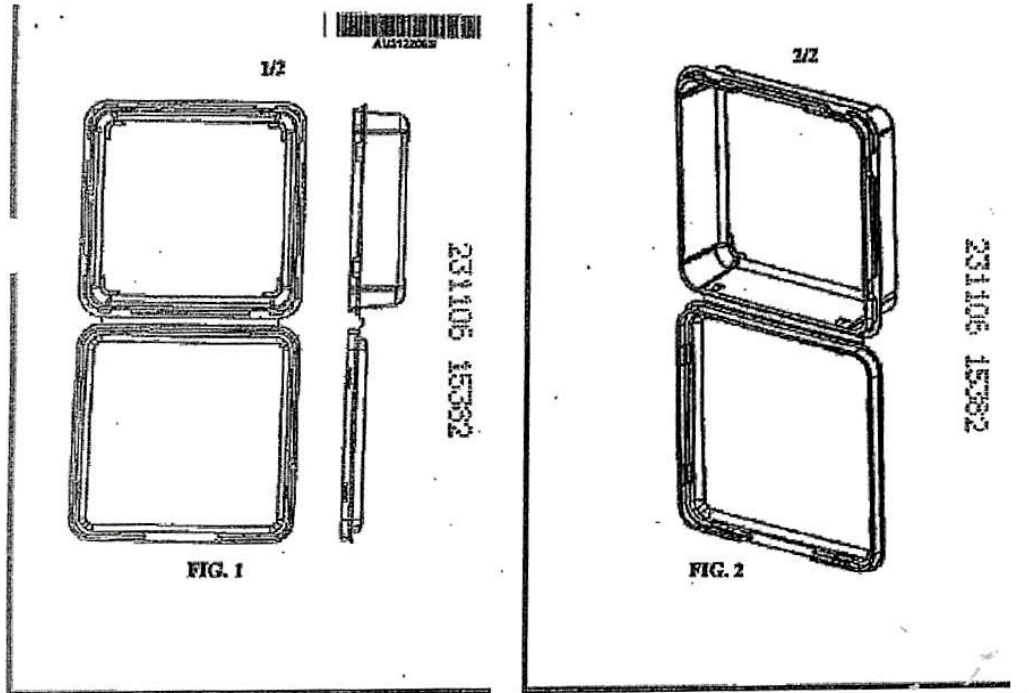
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Schedule 4

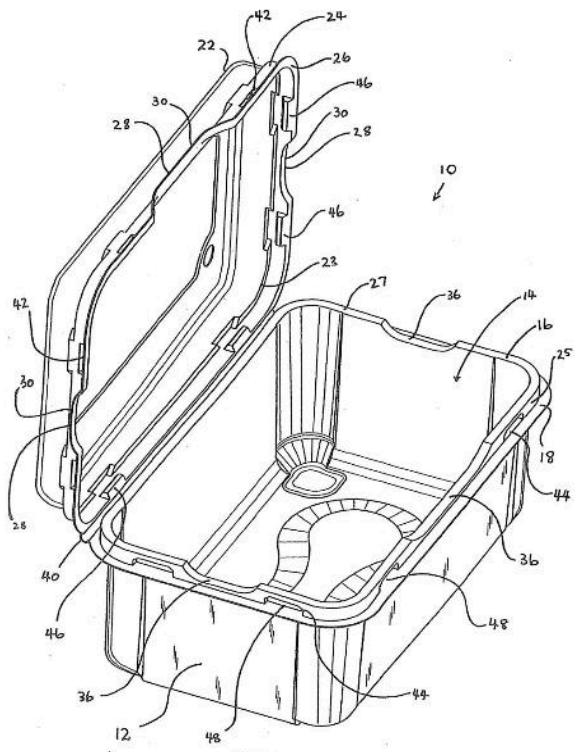


FIG. 1

FIG. 2

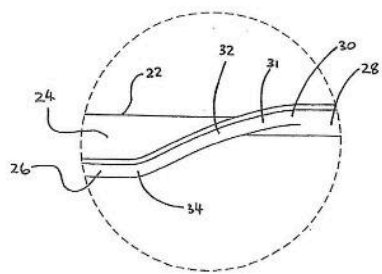
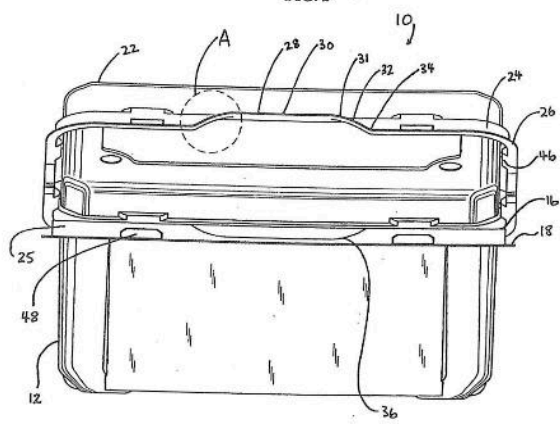


FIG. 3

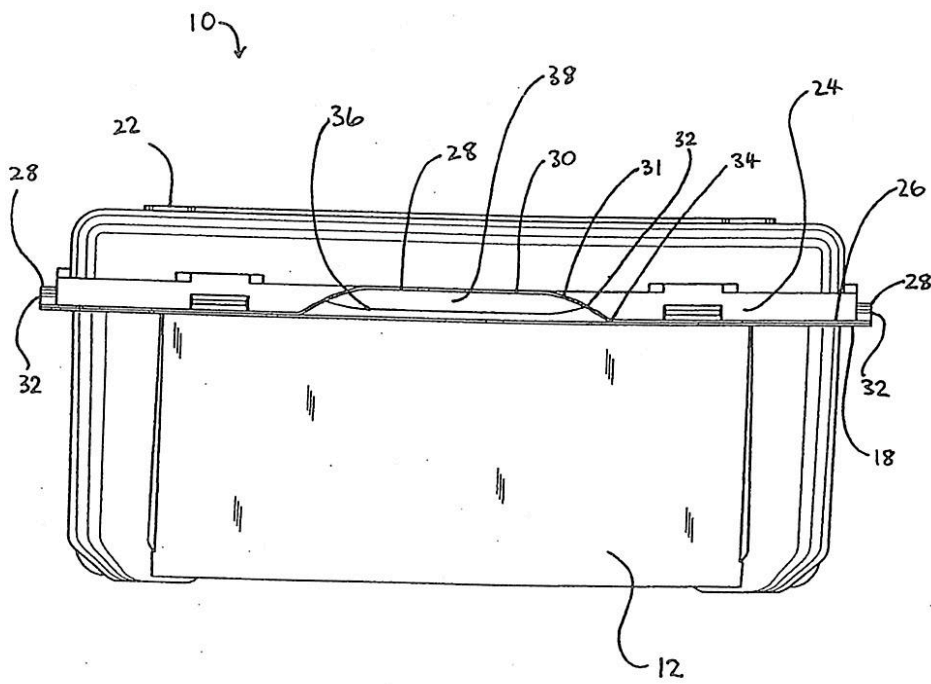


FIG. 4

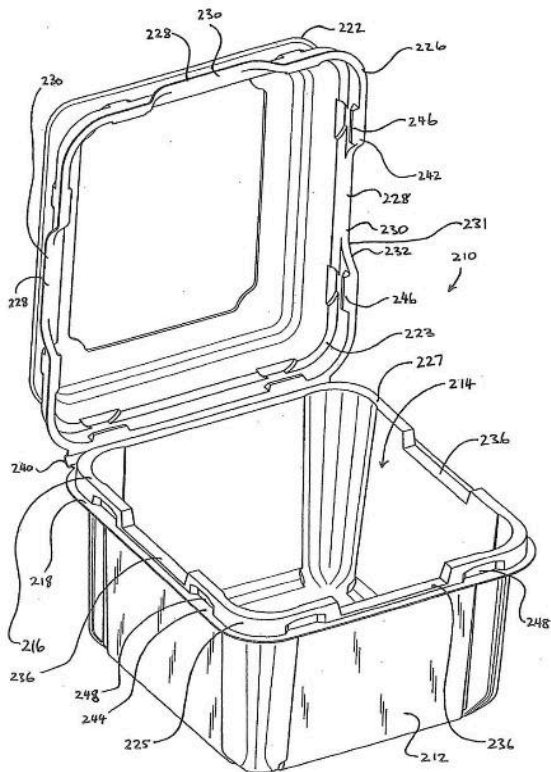


FIG. 5

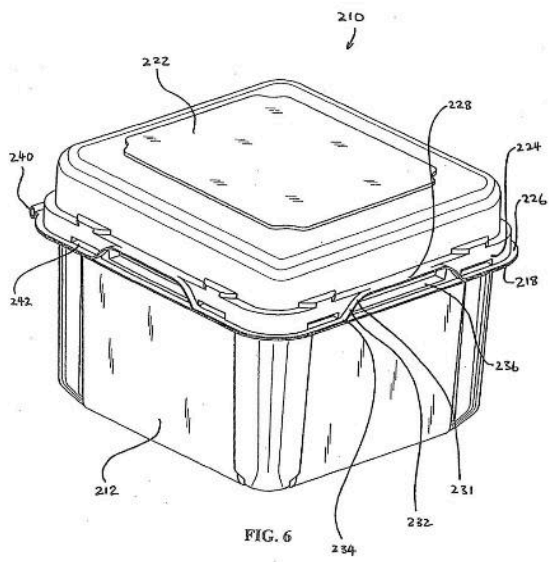


FIG. 6

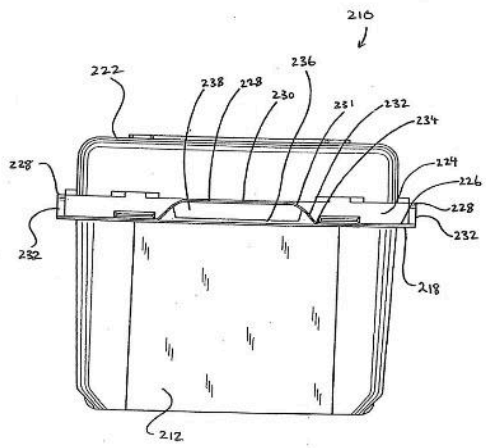


FIG. 7

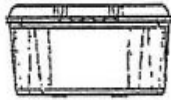
Schedule 5

Representation

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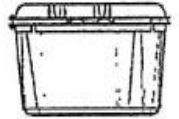
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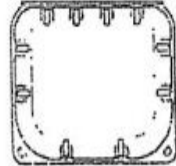
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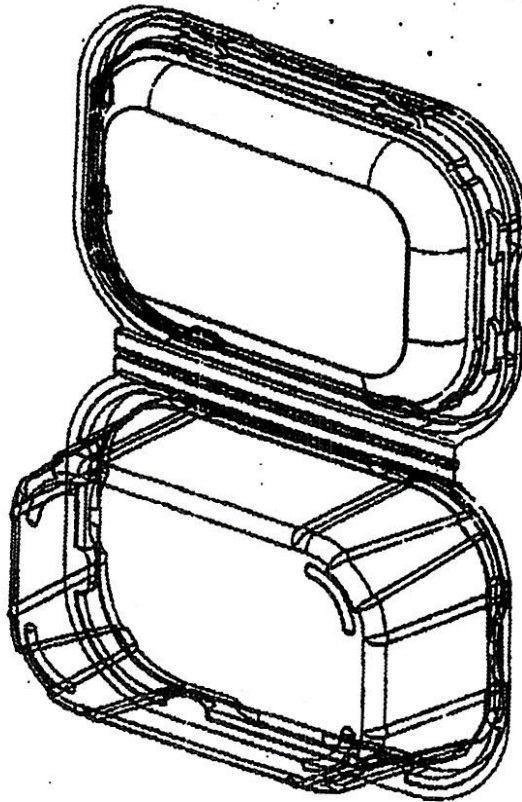
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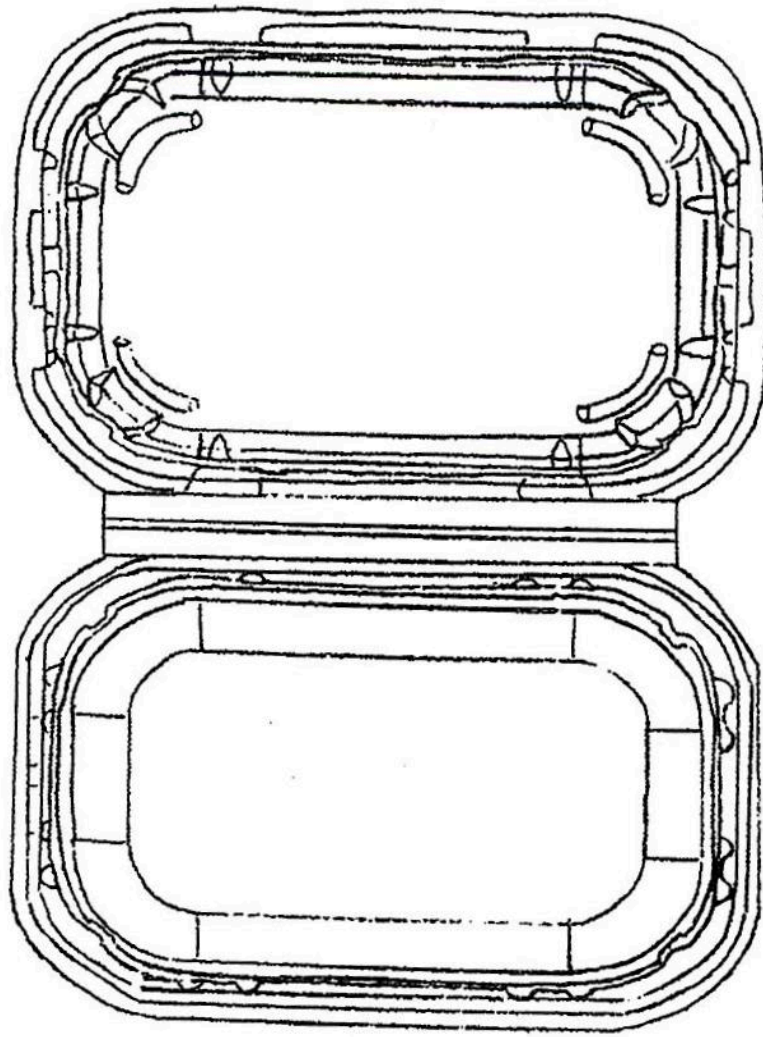
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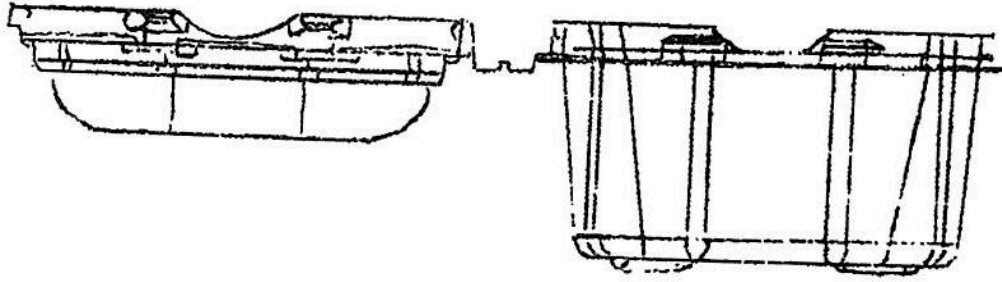
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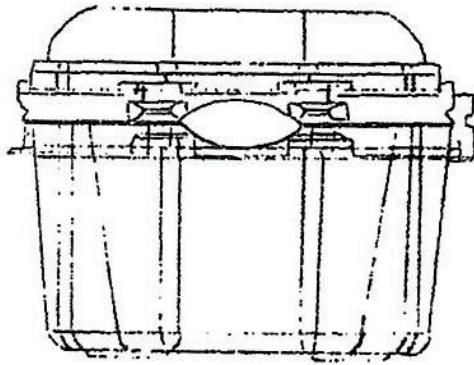
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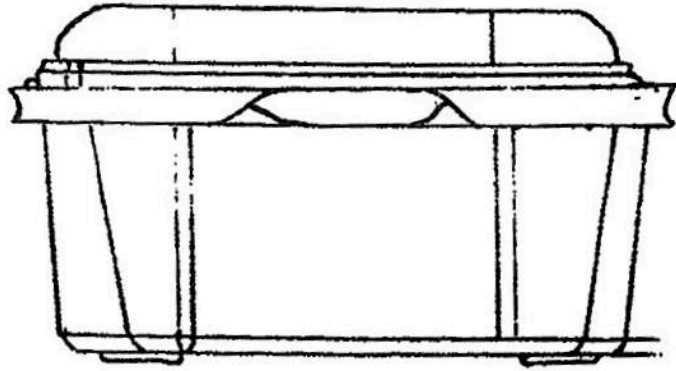
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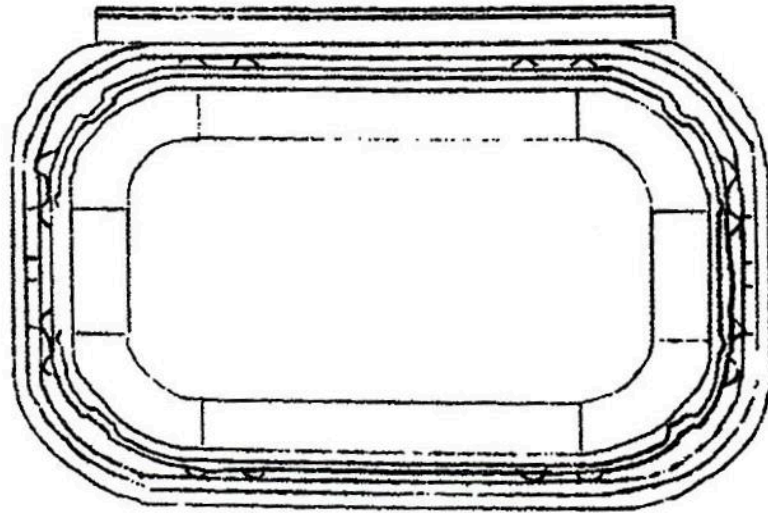
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Schedule 7

2009100783 07 Aug 2009

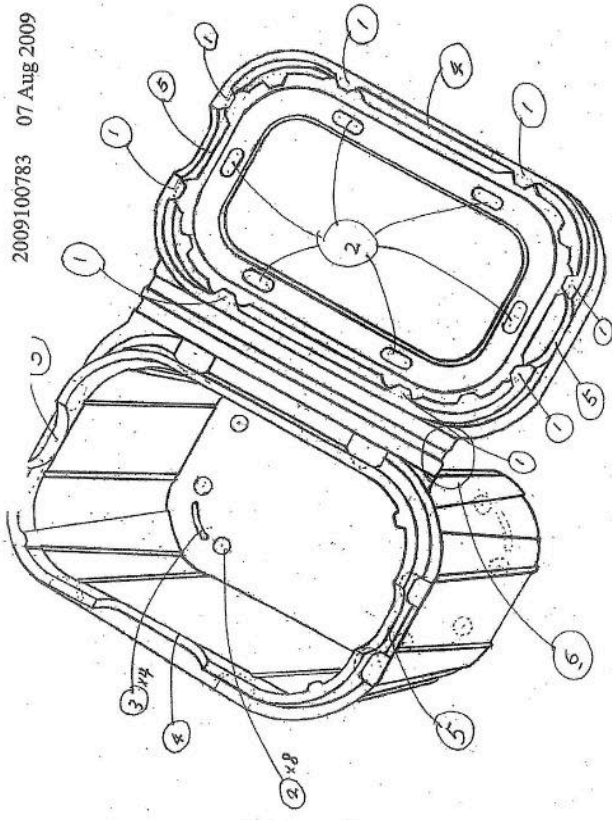


FIGURE 1

Schedule 8

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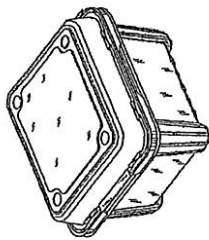
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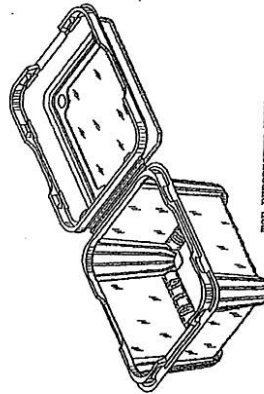
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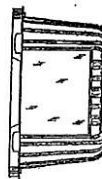
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4/9



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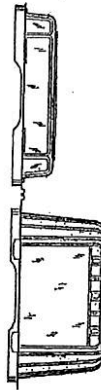
5/9



SIDE VIEW - LID CLOSED

Large Scale Representation

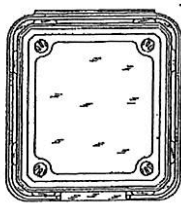
6/9



SIDE VIEW - LID OPEN

Large Scale Representation

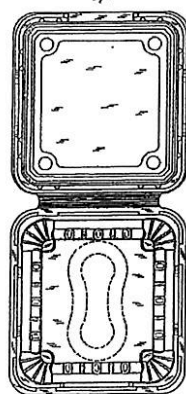
7/9



TOP VIEW - LID CLOSED

Large Scale Representation

8/9



TOP VIEW - LID OPEN



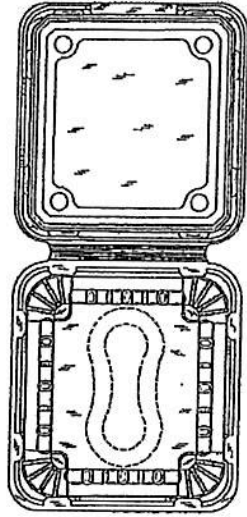
(11) Registration AU 330158 S
(21) Application 201010743

Previous Images

Data Current as of 04 July 2013

Large Scale Representation

9/9



BOTTOM VIEW - LID OPEN