

FEDERAL COURT OF AUSTRALIA

EMMETT, BENNETT & JAGOT JJ

**THE COURT:**

1           This appeal is concerned with whether the appellant, Technicon Industries Pty Ltd  
(**Technicon**), has infringed a registered design and copyright in a drawing relating to that  
design belonging to the respondent, Caroma Industries Ltd (**Caroma**).

2           Caroma is a manufacturer and distributor in Australia of bathroom products, including  
sanitary ware, such as toilet suites. A toilet suite consists of a cistern and a lavatory pan.  
Caroma is the registered owner of Design Number 116692 (**the Design**). The Design is  
registered in respect of a lavatory pan. Since 1994, Caroma has continuously distributed and  
sold throughout Australia a toilet suite known as the Trident Sovereign 2000 (**the Trident  
Suite**). The Trident Suite incorporates a lavatory pan that is a substantial manifestation of the  
Design (**the Trident Pan**).

3           Technicon conducts a plumbing and related products business in Australia and  
operates two wholly owned subsidiaries in the People's Republic of China (**China**) which  
manufacture tap ware and vitreous china. Caroma asserts that a model of a lavatory pan,  
which forms part of a toilet suite imported into and distributed and sold in Australia by  
Technicon (**the Technicon Pan**), infringes Caroma's monopoly in the Design. The  
Technicon Pan is manufactured in China for Technicon by Chaozhou Oumer Ceramic  
Industrial Co Ltd (**Oumer**) and has been imported into and sold in Australia by Technicon  
since August 2004.

4           The representations of the Design are reproduced in **Schedule 1** to these reasons. A  
depiction of the Technicon Pan, the impugned article, is contained in **Schedule 2** to these  
reasons.

5           Caroma claims to be the owner of copyright in respect of a drawing of the Trident  
Suite (**the Drawing**). Caroma asserts that a drawing published by Technicon in connection

with the distribution of the Technicon Pan constitutes an infringement of its copyright in the Drawing. The alleged infringement is constituted by a brochure and an instruction manual produced by Technicon and published on its website (**the Technicon Drawing**). Technicon accepts that, if the Drawing is an original work, such that copyright subsists in it, Caroma is the owner of any such copyright and that copyright in the Drawing would be infringed by the Technicon Drawing.

6 Caroma commenced a proceeding in the Court claiming a declaration that Technicon has infringed its monopoly in the Design. Caroma also claimed damages or an account of profits in respect of such infringement and also in respect of alleged infringement of its copyright in the Drawing. On 2 October 2008, a judge of the Court made declarations that Technicon had infringed Caroma's monopoly in the Design and had infringed Caroma's copyright in the Drawing. On 30 October 2008, the primary judge ordered Technicon to pay damages to be assessed or, at Caroma's option, to pay an account of profits to be assessed as a result of infringement of the monopoly in the Design and of copyright in the Drawing.

7 By notice of appeal filed on 10 November 2008, Technicon appealed from the orders made by the primary judge. It is not clear whether damages have been assessed or an account of profits has been taken such that the proceeding commenced by Caroma has been finally disposed of. The appeal has been conducted on the basis that no leave is required.

8 The issues concerning infringement of the monopoly in the Design and copyright in the Drawing are independent. Accordingly, it is convenient to deal with them separately.

## **INFRINGEMENT OF MONOPOLY IN THE DESIGN**

9 The Design was registered under the *Designs Act 1906* (Cth) (**the 1906 Act**) pursuant to an application lodged by Caroma on 15 September 1992. The 1906 Act was repealed with effect on 17 December 2003 pursuant to s 150 of the *Designs Act 2003* (Cth) (**the 2003 Act**). Under s 151(2)(a) of the 2003 Act, a design registered under the 1906 Act is taken to be registered under the 2003 Act from the date of the commencement of that Act. However, under ss 151(3), 156(2) and 156(3) of the 2003 Act, such a design remains subject to the 1906 Act for the purposes of determining the validity of the registration of the design and determining whether the monopoly in the design has been infringed.

10 By s 20(1) of the 1906 Act, the owner of a design is entitled to make application for the registration of the design. Under s 4, **design** means features of shape, configuration, pattern or ornamentation applicable to an article but does not include a method or principle of construction. The features must be such that, in the finished article, they can be judged by the eye.

11 An application for registration of a design must be in accordance with a prescribed form. Under s 20(4), such an application may be accompanied by a statement of monopoly in respect of the design to which the application relates. Section 20(5) provides that, upon the lodgement of an application for registration, the Registrar may request the applicant to furnish a statement of novelty in respect of the design to which the application relates. Further, if the application was not accompanied by a statement of monopoly in respect of the design to which the application relates, the Registrar may request the applicant to furnish such a statement if the Registrar considers it appropriate that a statement be furnished.

12 Under s 4, **statement of novelty** means a statement relating to the representations of an article to which the design is applied that indicates those features of the representations in respect of which novelty or originality is claimed. **Statement of monopoly** means a statement relating to the representations of an article to which the design is applied that indicates those features of the representations in respect of which the applicant wishes to claim a monopoly and those features that are to be disregarded in considering the extent of the monopoly protection.

13 The Register of Designs shows that in respect of the Design there is no statement of novelty. However, Caroma claims monopoly “in respect of the shape and/or configuration of a lavatory pan as illustrated in the representations”.

14 By s 30(1)(b) of the 1906 Act, a person is relevantly deemed to infringe the monopoly in a registered design if the person, without the licence or authority of the owner of the design, imports into Australia for sale any article in respect of which the design is registered and to which the design or any fraudulent or obvious imitation of it has been applied outside Australia without the licence or authority of the owner of the registered design at the time when the design or imitation was so applied.

15           The effect of s 30(1)(b) is that there will be an infringement of the monopoly in a registered design in three cases where an article is imported into Australia. The first is where the registered design has been applied to the article. The second is where a copy of the registered design, apparent to the eye notwithstanding slight differences, has been applied to the article. That is a case of obvious imitation of the registered design. The third is where a copy of the registered design, with differences that are both apparent and not so slight as to be insubstantial but that have been made merely to disguise the copying, has been applied to the article. That is a case of fraudulent imitation of the registered design. Visual comparison will establish the first case or the second case. However, a finding of fraudulent imitation requires something more because, in such a case, a visual comparison is not of itself sufficient to establish imitation; otherwise it would be a case of obvious imitation (see *Malleys Ltd v J.W. Tomlin Pty Ltd* (1961) 180 CLR 120 at 127; *Polyaire Pty Ltd v K-Aire Pty Ltd* (2005) 221 CLR 287; [2005] HCA 32 at [27]).

16           While Caroma alleged in its further amended statement of claim that the Design was applied to the Technicon Pan, that allegation was not supported before the primary judge. The only question was whether the Technicon Pan is an obvious imitation or a fraudulent imitation of the Design.

17           As indicated above, there will be an obvious imitation of a registered design if the design of an impugned article is such that the impugned article appears to be a copy notwithstanding slight differences. An article will be an obvious imitation if, as soon as one looks at it, it is something that strikes one at once as being so like the registered design as to be almost unmistakable. An obvious imitation is something that is very close to the registered design such that the resemblance to the registered design is immediately apparent to the eye, looking at the impugned article and the registered design together (see *Dunlop Rubber Co Ltd v Golf Ball Developments Ltd* (1931) 48 RPC 268 at 279). The question is whether, based on the overall impression to be gained from the registered design and of the impugned article, there is substantial similarity between them (see *Autocaps (Aust) Pty Ltd v Pro-Kit Pty Ltd* (1999) 46 IPR 339 at [83]).

18           It is not easy to define a fraudulent, as contrasted with an obvious, imitation. An imitation may be made unconsciously and in ignorance of the existence of the design. Thus, an article is an obvious imitation when it is apparent to the eye that it has been copied

consciously or unconsciously from the design. Accordingly, obvious imitation covers cases of fraudulent copying but is not confined to such cases. Section 30, when referring to a fraudulent imitation, is contemplating an imitation that is fraudulent without being obvious. It therefore contemplates a case in which the differences between the article and the design are obvious and in which recourse must be had to extrinsic evidence to establish the fact of deliberate copying. In such a case, the existence of comparatively unimportant differences, which are sufficient to prevent the imitation from being obvious, is not a fact of which the imitator can avail itself. Indeed, the existence of such differences may be one of the elements of the imitator's fraud (see *Rose v J.W. Pickavant & Co Ltd* (1923) 40 RPC 320 at 332).

19           The scope of a registered design must be determined with reference to the prior art at the priority date of the design. Questions of infringement and novelty or originality are connected. Where novelty or originality is discovered in slight variations, there cannot be infringement without a very close resemblance between the registered design and the article alleged to be an infringement of the registered design. If the particular features that provide a novel conception have not been reproduced in the alleged infringement, the similarity of appearance between the impugned article and the registered design, if present, must necessarily reside in the common possession of characteristics that everyone is free to employ. Small differences between the registered design and the prior art will generally lead to a finding of no infringement if there are equally small differences between the registered design and the impugned article. On the other hand, the greater the advance in the registered design over the prior art, the more likely will it be that common features between the design and the impugned article will support a finding of infringement (see *Dart Industries Inc & Anor v Décor Corporation Pty Ltd* (1989) 15 IPR 403 at 409).

20           The primary judge found that the Technicon Pan is a fraudulent imitation of the Design. His Honour drew the inference that Technicon had reason to believe or strongly suspect that a registered design had been applied in the production of the Trident Pan. His Honour drew the inference that since Technicon obtained and relied upon brochures produced by Caroma in connection with the development of the Technicon Pan, such brochures were read by Technicon and the warnings contained in the brochures, that products in the brochures were the subject of registered designs and patents, came to Technicon's attention. His Honour concluded, further, that Technicon's experience at registering its own designs generated in the minds of its directors the likelihood of a design being registered in respect of

the design applied to the Trident Pan. His Honour concluded, therefore, that Technicon had reason to believe or strongly suspected that the design applied to the Trident Pan may have been registered. Technicon does not challenge that finding on appeal.

21 In the present case, it is not disputed that the prior art in relation to the Design consisted of three lavatory pans, being the Royal Doulton V504 lavatory pan, manufactured by Caroma, the V534 Caravelle lavatory pan, manufactured by Caroma, and the Hospital 450 lavatory pan manufactured by Bristile Limited (together the **Prior Art Pans**). The primary judge concluded that none of the Prior Art Pans disclosed a combination of features with such similarity to the Design and the Technicon Pan as to warrant the conclusion that the similarities between the Design and the Technicon Pan are explained by reference to the prior art. His Honour concluded that the Design represents a clear advance on the Prior Art Pans. Accordingly, his Honour held that it was necessary for Technicon to demonstrate a greater degree of difference between the Technicon Pan and the Design in order to establish that there had been no infringement. Contrary to Technicon's submissions, the primary judge's approach to the relevance of the prior art (at [30]) was orthodox. His Honour's starting point for the purpose of comparison was not the Technicon Pan but, rather, the state of the prior art compared to the Design.

22 There are several elements of a lavatory pan that can be observed in the Design. The two principal elements are the bowl and the shroud. The bowl is the upper part and the shroud is the lower part, as shown in the Design. At the top of the bowl is the rim. At the rear of the bowl is the inlet pipe. In the centre of the bowl is the throat leading to the outlet in the bottom of the shroud. The shroud has holes for securing the pan to the floor. At the rear of the bowl between the inlet pipe and the shroud is a supporting rib.

23 The primary judge concluded that the Technicon Pan incorporated significant visual features of the Design. Several features of the Design on which the parties placed importance can be identified. They are as follows:

- the bowl is rounded and bulbous;
- the shroud is squat and rounded or balloon shaped;
- the shroud has a rear hump that contains the outlet pipe;

- the top of the outer part of the rim of the bowl exhibits scalloping or vertically ribbed voids towards the rear of the bowl.

24 The primary judge considered that, on first impression, the shroud of the Technicon Pan and the Design are identical, with the fixing holes located in the same position on each. In addition, the shrouds with rear humps are the same and the bowls, the rims and the throats have the same appearance. His Honour considered that the similarities between the Technicon Pan and the Design were striking on first impression.

25 However, his Honour found certain differences were revealed on closer inspection. The differences were as follows:

- the Technicon Pan does not have the scalloping feature;
- the inside rim of the Design is not as deep as the inside rim of the Technicon Pan;
- the front of the shroud of the Technicon Pan is slightly more rounded than that of the Design;
- the bowl of the Technicon Pan is slightly larger and protrudes further forward than the bowl of the Design;
- the rear supporting rib of the Technicon Pan is slightly wider than the rear supporting rib of the Design;
- the inlet pipe of the Technicon Pan has a smooth transition into the rear of the bowl whereas the transition of the inlet pipe into the rear of the bowl of the Design is more stepped;
- there is a slight curve outward at the floor of the front of the shroud of the Technicon Pan that is not present in the Design.

26 The primary judge considered that the first three differences were more significant than the others which, although almost imperceptible, can be observed upon careful inspection. His Honour concluded that the Technicon Pan does not possess such a close resemblance to the Design that it is almost unmistakable. His Honour concluded, therefore, that the Technicon Pan is not an obvious imitation of the Design.

27           The primary judge considered that the Technicon Pan incorporates significant visual features of the Design, being the overall curvilinear design, the outline of the shroud and its hump and the same configuration for the fixing holes. His Honour considered that the principal visual detail that distinguishes the Technicon Pan from the Design is the absence of the scalloping feature from the Technicon Pan. However, his Honour considered that the absence of the scalloping feature does not sufficiently distinguish the Technicon Pan from the Design, as Technicon contended.

28           His Honour also rejected the contention that the adoption of a box rim in the Technicon Pan sufficiently distinguished the Technicon Pan from the Design. The box rim of the Technicon Pan, however, is an irrelevance. It has nothing to do with the shape, configuration, pattern or ornamentation exhibited by the Design. The Design does not depict the underneath of the rim of the bowl. The Design is entirely neutral as to whether the rim is a box rim or otherwise. The primary judge made no error in rejecting that difference as having no significance.

29           In essence, the contention of Technicon on the appeal was that the striking difference between the Technicon Pan and the Design is the absence of the scalloping feature from the Technicon Pan. Technicon stresses that none of the prior art contains the scalloping feature. Technicon says that the scalloping feature is a shape in the Design that immediately attracts the eye and is a striking feature of the Design that visibly and deliberately intrudes into, and contrasts with, the roundness of the bowl and the humped shroud. Technicon says that the visual importance of the scalloping feature in the Design is recognised in the representations in the Design by the complexity and multiplicity of the lines depicting the scalloping feature, as compared with the few lines depicting the balance of the Design. It says that the detail of the scalloping feature and the absence of detail of the other features, apart from the rings on the inverted plan view, draw the eye ineluctably to the scalloping feature.

30           Technicon contends that it does not follow from the similarity in appearance of the features between the Design and the Technicon Pan that the Technicon Pan is an imitation of the Design. Technicon says that the presence of such features in the prior art, in the Design and in the Technicon Pan requires that significant weight must be given to the introduction of the scalloping feature in the Design and its omission from the Technicon Pan.



31           Technicon does not challenge the finding made by the primary judge that the design of the Technicon Pan is based on, or was derived from, the Design. However, it challenges his Honour’s conclusion that the differences are not so substantial that the Technicon Pan cannot fairly be described as an imitation of the Design. Specifically, Technicon says, the scalloping feature is a shape in the Design that immediately attracts the eye and is a striking feature of the Design, which was an advance over the prior art. It says that, while the other differences between the Technicon Pan and the Design are of some subtlety, the differences are such that, when coupled with the absence of the scalloping feature, the Technicon Pan cannot fairly be described as an imitation of the Design.

32           Apart from the scalloping feature, it is difficult to discern any difference between the design of the Technicon Pan and the Design without close and careful inspection. The overall first impression, created upon inspecting the Technicon Pan and comparing it with the Design, is that they are the same. The only real distinguishing feature is the scalloping. However, while the scalloping may fairly be described as pattern or ornamentation, which is absent from the Technicon Pan, the features of shape and configuration of the Design and the Technicon Pan, as judged by the eye, are substantially the same. Contrary to Technicon’s submissions, that conclusion does not impermissibly disregard the scalloping feature. It merely recognises that the Technicon Pan is substantially the same as the Design despite the absence of the scalloping feature.

33           The same fundamental or basic design to be seen in the Design is reproduced in the Technicon Pan. The Technicon Pan possesses the same features that distinguish the Design from the prior art. The Technicon Pan contains the same curvilinear form and arrangement of bowl and shroud. The Technicon pan is a copy of the Design with differences. However, while the differences are both apparent and may not be so slight as to be insubstantial, the inference can be drawn that they have been made merely to disguise the copying.

34           The primary judge found that Technicon decided to base its product on the Trident Pan. In an internal memorandum, the collaborators on the design of the Technicon Pan reported that a prototype was “too close to the [Trident Pan], although it differs ... in that it is a box rim pan”. Another internal memorandum prepared within Technicon observed that the Technicon Pan “is very similar to the [Trident Pan]”. In those circumstances, the inference

was clearly open that the differences between the Technicon Pan and the Design were intended to disguise the copying. The primary judge made no error in drawing that inference.

35 Technicon's contentions about the primary judge's treatment of the expert evidence are also unsustainable. Technicon contends that his Honour both compared the Technicon Pan with the Trident Pan (rather than the Design) and relied on expert evidence committing the same error in the process of comparison. Such contentions are unfounded. The primary judge had regard to the expert evidence but formed his own opinions based on comparison of the Technicon Pan and the Design, as the reasons disclose.

36 It follows that the primary judge did not err in concluding that the Technicon Pan is a fraudulent imitation of the Design. It is therefore unnecessary to determine whether it is an obvious imitation of the Design.

#### **INFRINGEMENT OF COPYRIGHT IN THE DRAWING**

37 The evidence as to the subsistence of copyright in the Drawing is not extensive. It consisted of a very brief affidavit sworn by Mr Farid Shahidi, a former employee of Caroma, together with the cross-examination of Mr Shahidi.

38 Mr Shahidi was employed by Caroma from 4 June 1990 until about June 2000 as a production artist responsible for Caroma's desk top publishing system. Mr Shahidi's duties included the creation of computer drawings of bathroom products and accessories for Caroma's manuals and catalogues. Mr Shahidi said in his affidavit sworn 5 April 2007 that, in about 1992, he created the Drawing, using Caroma's drawing computer software. There was no evidence as to the nature of the software or the steps that were involved in creating a drawing by use of the software. However, the assertion in the affidavit was admitted without objection.

39 In cross-examination, Mr Shahidi accepted that during the course of his ten years of employment by Caroma, he made many drawings. He accepted that he was responsible for the creation of product brochures including the text of some of them. He could not recall the brochures for which he created text and the brochures for which he did not create text. However, he agreed with the proposition put to him that he created the brochures. He also agreed with the proposition put to him in cross-examination that the purpose of the desktop

publishing system was to create manuals and plumbers' handbooks. He agreed that, on occasion, he used other source drawings including technical drawings. He also agreed that, on occasion, he had before him the relevant product itself. Indeed, he said that he usually had the product in front of him. He agreed that, essentially, what he was doing was converting another technical drawing into a computer drawing and checking that against what his eye saw in the product before him.

40 Mr Shahidi said that his role was to synthesise and layout the pages and to write some of the marketing text. He said that no one else created computer drawings for the purposes of the manual and desktop publishing.

41 Mr Shahidi accepted that he did not have any independent recollection of when he created the Drawing. However, while he could not say whether he created the Drawing from other technical drawings, he knew his style of drawing and therefore asserted that he created the Drawing from other drawings for the purpose of marketing. However, he could not say what those other drawings were. Mr Shahidi said that he was able to date the Drawing to about 1992 because the manual containing the Drawing is dated 1993.

42 In re-examination, when asked, without objection, what he meant when he gave evidence that he converted other technical drawings into computer drawings, Mr Shahidi gave an answer that was almost incomprehensible as follows:

Converting that as a technical because it was impossible at that time to convert any drawings to my softwares but I created it from another softwares in my software.

He was then asked, without objection, what he meant by saying that he "created" a drawing. His response, again without objection, was as follows:

Then from the one ugly drawing which is a technical drawing to make it a beautiful drawing for the purpose of the marketing.

He answered "yes" to the following further question put without objection:

Is that what you did in the process?

43 The primary judge concluded that Mr Shahidi created the Drawing using Caroma's computer drawing software. His Honour concluded that copyright subsists in the Drawing and that Caroma is the owner of the copyright.

44 While the evidence of the creation of the Drawing is not entirely satisfactory, it was sufficient to support the conclusion reached by the primary judge. No error on the part of his Honour has been established.

## CONCLUSION

45 It follows that the appeal should be dismissed. Technicon should pay Caroma's costs of the appeal.

I certify that the preceding forty-five (45) numbered paragraphs and following two (2) schedules are a true copy of the Reasons for Judgment herein of the Honourable Justices Emmett, Bennett & Jagot.

Associate:

Dated: 26 June 2009

Counsel for the Appellant: Ms J Baird SC with Ms P Arcus

Solicitor for the Appellant: Deacons Lawyers

Counsel for the Respondent: Mr S Burley SC with Mr C Bova

Solicitor for the Respondent: Spruson & Ferguson Lawyers

Date of Hearing: 14 May 2009

Date of Judgment: 26 June 2009

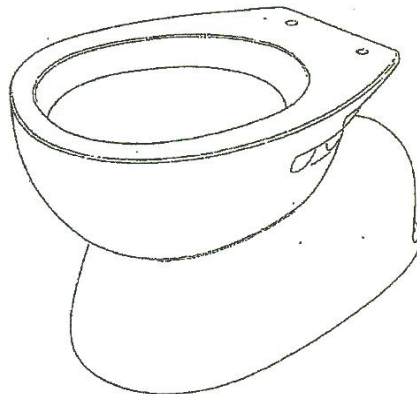
**SCHEDULE 1**

No. 116892

**Register of designs**

*Designs Act 1906*

Representations relating to Design Registration No. 116692



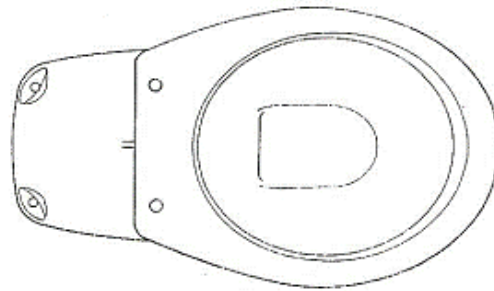
*PERSPECTIVE VIEW*

No. 116692

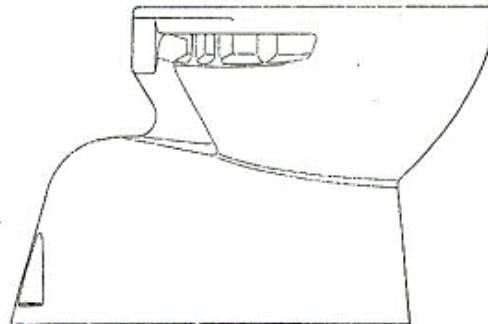
# Register of designs

*Designs Act 1906*

**Representations relating to Design Registration No. 116692**



*PLAN VIEW*

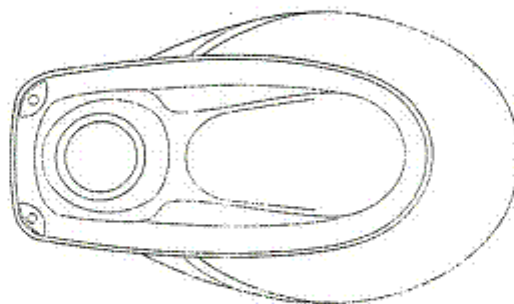


*LEFT SIDE VIEW  
(RIGHT SIDE = MIRROR)*

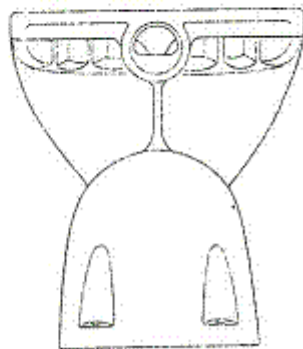
# Register of designs

*Designs Act 1906*

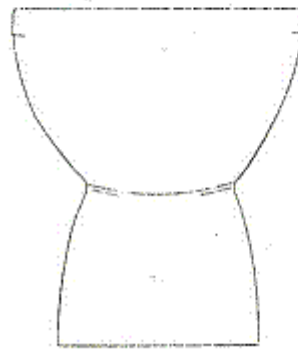
**Representations relating to Design Registration No. 116692**



*INVERTED PLAN VIEW*



*REAR VIEW*



*FRONT VIEW*

**SCHEDULE 2**





