

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LTD & ORS v GLOBAL GAMING SUPPLIES PTY LTD & ORS (S168/2012)

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LTD & ORS v ALLAM & ORS (S169/2012)

Court appealed from: Full Court of the Federal Court of Australia
[2012] FCAFC 34

Dates of judgment: 21 March 2012 & 25 May 2012

Date referred to Full Bench: 16 November 2012

The Aristocrat group of companies (“Aristocrat”) designs, manufactures and supplies gaming machines both in Australia and internationally. Aristocrat also develops and supplies components, software and conversion kits for its machines. Mr Francis Cragen and his company Impact Gaming Pty Ltd (“Impact”), and Mr Anthony Andrews and his company Global Gaming Supplies Pty Ltd (“Global”), dealt in second-hand gaming machines. In 2004 those companies and their principals (together “the joint venturers”) began working closely together on the refurbishment and export of Aristocrat’s machines. Mr Riad Allam is a gaming machine technician who carried out work for both Impact and Global. After materials had been seized (pursuant to a Federal Court order), Aristocrat alleged infringements of both its copyright and its trade mark. During the trial, Justice Jacobson provisionally admitted into evidence certain chains of emails (“the emails”), noting that they were not tendered as proof of the facts stated in them.

On 15 December 2009 Justice Jacobson held that Mr Allam (by direct acts) and the joint venturers (by offering certain gaming machines for sale) had infringed Aristocrat’s copyright. His Honour found that Mr Allam had made counterfeit compliance plates, memory chips and copies of Aristocrat’s software for use on machines which were then sold by the joint venturers. Justice Jacobson also found that the emails made it plain that Mr Andrews and Mr Cragen had countenanced Mr Allam’s infringing acts.

Mr Allam and the joint venturers separately appealed, while Aristocrat cross-appealed in both matters.

On 25 May 2012 the Full Court of the Federal Court (Bennett, Middleton & Yates JJ) unanimously allowed both of the appeals and both of the cross-appeals. Their Honours held that Justice Jacobson had erred by treating the emails as evidence of the joint venturers’ knowledge of Mr Allam’s infringing acts. The Full Court found that the emails could show no more than a tendency to engage in infringing transactions. (They could not even be used for that purpose however, as the requirements of s 97 of the *Evidence Act* 1995 (Cth) had not been met.) Their Honours also found that Justice Jacobson had mistakenly treated Aristocrat’s claim of infringement of its trade mark as co-extensive with its copyright claim. They then remitted the trade mark claim to Justice Jacobson for determination.

The questions of law said to justify the grant of special leave to appeal (in both matters) include:

- Is it legitimate to apply s 97 of the *Evidence Act* 1995 (Cth) to evidence of a person's awareness or state of mind about that person's own prior business activities where the issue is the person's knowledge or reason to believe under s 38 of the *Copyright Act* 1968 (Cth) or participation in a common design in respect of later business activities?

The Respondents in S168/2012 and the Second, Third, Fourth, and Fifth Respondents in S169/2012 ("the Global Respondents") have filed a joint proposed notice of contention, the grounds of which include:

- The Full Court erred in upholding (at appeal judgment [307], [308] – [362]) the primary judge's conclusion that the Global Respondents had infringed the copyright of Aristocrat by selling 58 electronic gaming machines within 9 transactions.
- The Full Court ought to have held that the primary judge erred by making findings of infringement against the Global Respondents with respect to the 58 machines the subject of the transactions referred to above.

The First and Sixth Respondents in S169/2012 have also filed a joint proposed notice of contention, the grounds of which include:

- The Full Court ought to have held that the evidence did not establish that the impugned gaming machines contained Aristocrat game software that had been reproduced by Mr Allam.
- The First and Sixth Respondents support the proposed notice of contention as filed by the Global Respondents, *mutatis mutandis*, in so far as it relates to any transaction maintained by Aristocrat against either or both of them or the question of section 115(4) damages.