

HIGH COURT OF AUSTRALIA

McHUGH, GUMMOW, HAYNE, CALLINAN AND HEYDON JJ

POLYAIRES PTY LTD

APPELLANT

AND

K-AIRE PTY LTD & ORS

RESPONDENTS

Polyaire Pty Ltd v K-Aire Pty Ltd [No 2]
[2005] HCA 41
11 August 2005
(A51/2004)

ORDER

The orders pronounced by the Court on 16 June 2005 be sealed.

Representation:

D M Yates SC with B J Jenner for the appellant (instructed by Lynch Meyer)

D K Catterns QC with S J Goddard for the respondents (instructed by Thomson Playford)

Notice: This copy of the Court's Reasons for Judgment is subject to formal revision prior to publication in the Commonwealth Law Reports.

CATCHWORDS

Polyaire Pty Ltd v K-Aire Pty Ltd & Ors [No 2]

Intellectual property – Designs – Infringement of a registered design – Fraudulent imitation of a registered design – Where alleged infringing design was devised by modifying an initial design after allegation that initial design constituted infringement of registered design – Whether alleged infringing design a fraudulent imitation of a registered design.

Designs Act 1906 (Cth), s 30(1)(a).

1 McHUGH, GUMMOW, HAYNE, CALLINAN AND HEYDON JJ. At trial, Besanko J granted declaratory and injunctive relief in respect of the two articles identified in the action as KA1 and KA2. The article KA2 was devised after Polyaire had notified K-Aire on 31 October 1996 that it believed the manufacture and sale of items in the form of KA1 infringed the Design. Mr Rogers, the industrial designer who was held by Besanko J to have designed KA1, knowingly, consciously and deliberately basing the design on Polyaire's outlet director part which embodied the Design, was involved in the modifications to KA1 which led to the production of KA2. Besanko J found that, as with KA1, KA2 was a fraudulent imitation of the Design.

2 After delivery of reasons on 16 June 2005, the Court received, by leave, written submissions by the parties respecting the application of its reasoning respecting fraudulent imitation to the findings of Besanko J concerning KA2. The Court had held that there was no substance in the complaints made by the respondents concerning the finding of fraudulent imitation by KA1.

3 Schedules 1, 2 and 3 to the reasons of the Full Court of the Federal Court¹ conveniently reproduce respectively the drawings accompanying the Design, and representations of KA1 and KA2.

4 In considering KA2 Besanko J identified five differences between KA2 and the Design further to those between KA1 and the Design. He said:

"First, KA2 has one coupling or linkage bar whereas RD2 has two. Second, the coupling bar in KA2 has holes rather than snap fits. Third, KA2 has only three axles or spigots on each blade, and the axle or spigot that goes into the coupling bar is a simple stub axle. Fourth, KA2 has a lengthwise rib on the coupling bar. Fifth, the side slots in KA2 are closed."

His Honour described the first of these, the removal of one of the two coupling control bars, as "[t]he major change", and continued:

"Having regard to the circumstances in which the changes were made, the only issue in relation to KA2 is whether it has taken the overall distinctive appearance of [the Design], or put another way, whether the shape or configuration embodied in KA2 is distinctly different from [the Design]. I

1 *K-Aire Pty Ltd v Polyaire Pty Ltd* (2003) 60 IPR 512 at 525-539.

McHugh J
Gummow J
Hayne J
Callinan J
Heydon J

2.

do not think there is distinctive difference between KA2 and [the Design]. To my mind, the removal of the control bar and the other changes made do not result in any significant change to the appearance (in terms of shape and configuration) of KA1.

I find that KA2 is a fraudulent imitation of [the Design]."
(emphasis added)

5 In the immediately preceding passages of his judgment, those dealing with the character of KA1 as a fraudulent imitation, Besanko J included the two bars as one of the features of shape and configuration which gave the design its distinctive appearance. The respondents emphasise that the reduction from two bars to one is a crucial difference. They add that his Honour also did not in terms take into account the thinner proportions of the two bars in the Design and the presence in KA2 of a raised reinforcing ridge along the length of the bar. The respondents also point to differences in the receiving points. The result is said to be that only "the idea" of the Design was taken in KA2.

6 In the reasons delivered on 16 June 2005, the Court confirmed that, while the offending article must have the same fundamental or basic design as that embodied in the registered design, the person who has deliberately set out to copy the design is presumed more readily to have achieved his object than the person who acted innocently².

7 The appellant stresses in its written submissions that when considering KA2 Besanko J indicated that he was conscious of the question whether the modifications made by Mr Rogers after the alert given by Polyaire on 31 October 1996 resulted in any significant changes in shape and configuration. Allowing for the matters to which the respondents have referred, nevertheless Besanko J correctly concluded that KA2 was a fraudulent imitation.

8 The orders pronounced by the Court on 16 June 2005 have not been sealed. They should now be sealed.

2 (2005) 216 ALR 205 at 211 [21].

