FEDERAL COURT OF AUSTRALIA

Christian v Société Des Produits Nestlé SA (No 2) [2015] FCAFC 153

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| Citation: | Christian v Société Des Produits Nestlé SA (No 2) [2015] FCAFC 153 |
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| Appeal from: | Société Des Produits Nestlé SA & Anor v Christian & Anor (No 4) [2014] FCCA 2025  Société Des Produits Nestlé SA & Anor v Christian & Anor (No 6) [2014] FCCA 2368 |
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| Parties: | **JAMES WILLIAM CHRISTIAN v SOCIÉTÉ DES PRODUITS NESTLÉ SA, NESTLÉ AUSTRALIA LTD, PREMIER NUTRITION CORPORATION, POST FOODS AUSTRALIA PTY LTD & VITACO HEALTH IP PTY LTD** |
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| File number: | NSD 940 of 2014 |
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| Judges: | **BENNETT, KATZMANN AND DAVIES JJ** |
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| Date of judgment: | 4 November 2015 |
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| Catchwords: | **TRADE MARKS** — where primary judge made findings of trade mark infringement and consequential orders — whether primary judge erred in considering the use of a logo in making his findings of infringement when that logo was not used in an actual sale — “in physical or other relation to” in *Trade Marks Act 1995* (Cth) s 7(4) — whether primary judge failed to consider the “proviso” or qualification contained in s 120(2) — whether primary judge erred in finding that the appellant’s marks were deceptively similar to that of the respondents — whether primary judge erred in failing to require that the appellant cancel his business name — whether primary judge erred in failing to require appellant to cancel domain name — whether form of injunction too narrow |
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| Legislation: | *Business Names Registration Act 2011* (Cth) ss 16, 51  *Consumer Affairs and Fair Trading Act 1990* (NT) s 42  *Fair Trading Act 1987* (NSW) s 42  *Federal Court of Australia Act 1976* (Cth) s 28(1)(b)  *Trade Marks Act 1995* (Cth) s 5, 7(4), 20, 120  *Trade Practices Act 1974* (Cth) ss 52, 87 |
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| Texts cited: | Davison M and Horak I, *Shanahan’s Australian Law of Trade Marks and Passing Off*, (5th ed, Lawbook Co, 2012)  Heydon JD, Leeming MJ and Turner PG, *Meagher, Gummow and Lehane’s Equity Doctrines and Remedies* (5th ed, LexisNexis Butterworths, 2015) |
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| Cases cited: | *Adam P Brown Male Fashions Pty Ltd v Philip Morris Inc* (1981) 148 CLR 170  *Blatch v Archer* (1774) 1 Cowp 63 at 65; 98 ER 969  *Branir Pty Ltd v Owston Nominees (No 2) Pty Ltd* (2001) 117 FCR 424  *British Telecommunications Plc v One in a Million Ltd* (1998) 42 IPR 289  *De L v Director-General, New South Wales Department of Community Services (No 2)* (1997) 190 CLR 207  *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9  *H‑D Michigan, Inc v MC World Ltd* [2003] FCA 925  *House v The King* (1936) 55 CLR 499  *In re the Will of FB Gilbert (dec)* (1946) 46 SR (NSW) 318  *International Hair Cosmetics Group Pty Ltd v International Hair Cosmetics Ltd* (2011) 218 FCR 398  *Kailash Center for Personal Development Inc v Yoga Magik Pty Limited* [2003] FCA 536  *Louis Vuitton Malletier SA v Knierum* [2004] FCA 1584  *Microsoft Corporation v Blanch* [2002] FCA 895; AIPC ¶91-813  *Microsoft Corporation v Ezy Lyons Pty Ltd* [2004] FCA 1135  *Microsoft Corporation v Plato Technology Limited* [1999] FSR 834  *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365  *S & I Publishing Pty Ltd v Australian Surf Life Saver Pty Ltd* (1998) 88 FCR 354  *Société Des Produits Nestlé SA v Christian (No 10)* [2014] FCCA 2524  *Société Des Produits Nestlé SA v Christian (No 14)* [2014] FCCA 2968  *Société Des Produits Nestlé SA v Christian (No 3)* [2014] FCCA 2024  *Société des Produits Nestlé SA v Christian* [2014] FCCA 367  *Solahart Industries Pty Ltd v Solar Shop Pty Ltd (No 2)* [2011] FCA 780; 282 ALR 43; 92 IPR 197  *Torpedoes Sportswear Pty Ltd v Thorpedo Enterprises Pty Ltd* (2003) 132 FCR 326  *Universal Music Australia Pty Ltd v Sharman Networks Ltd* (2006) 150 FCR 110  *Ward Group Pty Ltd v Brodie & Stone plc* (2005) 143 FCR 479 |
|  |  |
| Date of hearing: | 2 March 2015 |
|  |  |
| Place: | Sydney |
|  |  |
| Division: | GENERAL DIVISION |
|  |  |
| Category: | Catchwords |
|  |  |
| Number of paragraphs: | 184 |
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| Counsel for the Appellant/Cross-Respondent: | The appellant appeared in person |
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| Counsel for the Respondents/Cross-Appellants: | Mr S Burley SC with Mr P W Flynn |
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| Solicitor for the Respondents/Cross-Appellants: | Banki Haddock Fiora |

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| IN THE FEDERAL COURT OF AUSTRALIA |  |
| NEW SOUTH WALES DISTRICT REGISTRY |  |
| GENERAL DIVISION | NSD 940 of 2014 |

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| ON APPEAL FROM THE FEDERAL CIRCUIT COURT OF AUSTRALIA |

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| BETWEEN: | JAMES WILLIAM CHRISTIAN  Appellant/Cross-Respondent |
| AND: | SOCIÉTÉ DES PRODUITS NESTLÉ SA  First Respondent/First Cross-Appellant  NESTLÉ AUSTRALIA LTD  Second Respondent/Second Cross-Appellant  PREMIER NUTRITION CORPORATION  Third Respondent/Third Cross-appellant  POST FOODS AUSTRALIA PTY LTD  Fourth Respondent/Fourth Cross-Appellant    VITACO HEALTH IP PTY LTD  Fifth Respondent/Fifth Cross-Appellant |

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| JUDGES: | BENNETT, KATZMANN AND DAVIES JJ |
| DATE OF ORDER: | 4 NOVEMBER 2015 |
| WHERE MADE: | SYDNEY |

IN RELATION TO THE APPEAL

THE COURT ORDERS THAT:

1. Order 1 made by the Federal Circuit Court on 3 September 2014 be set aside.
2. Otherwise the appeal be dismissed.
3. The appellant pay 85% of the respondents’ costs.

**THE COURT DECLARES THAT:**

1. By:
   * 1. offering for sale in Australia supplements and therapeutic products under or by reference to the device or logo first appearing in annexure A to these orders;
     2. importing into, selling and offering for sale supplements and therapeutic products in Australia under or by reference to the mark “A‑SASHI” (**A‑SASHI Word Mark**) and the device or logo second appearing in annexure A to these orders,

the appellant has, within the meaning of s 120 of the *Trade Marks Act 1995* (Cth), infringed Australian registered trade marks:

(a) 563325 MUSASHI in class 5;

(b) 563326 MUSASHI in class 41; and

(c) 1172510 MUSASHI in classes 5 and 32.

**IN RELATION TO THE CROSS-APPEAL**

**THE COURT ORDERS THAT:**

1. Leave be granted to the cross-appellants to file the draft amended cross-claim handed up in court at the hearing on 2 March 2015 within seven (7) days.
2. The cross-appeal be allowed.
3. The cross-respondent pay the cross-appellants’ costs.
4. The registration of the Australian Business Name “A‑SASHI VITAMINS” be cancelled.
5. Within seven (7) days the cross-appellants lodge a copy of these orders with the Australian Securities and Investments Commission.
6. Order 4 of the orders of the Federal Circuit Court made on 20 October 2014 be set aside.
7. Within fourteen (14) days, the cross-respondent take all necessary and reasonable steps to cancel the registration of the domain name www.a-sashi.com.au.
8. The cross-respondent be restrained from using in Australia any mark or sign which is substantially identical to the A‑SASHI Word Mark or either of the A‑SASHI devices or logos depicted in annexure A to these orders.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

**Annexure A**





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| IN THE FEDERAL COURT OF AUSTRALIA |  |
| NEW SOUTH WALES DISTRICT REGISTRY |  |
| GENERAL DIVISION | NSD 940 of 2014 |

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| ON APPEAL FROM THE FEDERAL CIRCUIT COURT OF AUSTRALIA |

|  |  |
| --- | --- |
| BETWEEN: | JAMES WILLIAM CHRISTIAN  Appellant/Cross-Respondent |
| AND: | SOCIÉTÉ DES PRODUITS NESTLÉ SA  First Respondent/First Cross-Appellant  NESTLÉ AUSTRALIA LTD  Second Respondent/Second Cross-Appellant  PREMIER NUTRITION CORPORATION  Third Respondent/Third Cross-appellant  POST FOODS AUSTRALIA PTY LTD  Fourth Respondent/Fourth Cross-Appellant    VITACO HEALTH IP PTY LTD  Fifth Respondent/Fifth Cross-Appellant |

|  |  |
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| JUDGES: | BENNETT, KATZMANN AND DAVIES JJ |
| DATE: | 4 NOVEMBER 2015 |
| PLACE: | SYDNEY |

**REASONS FOR JUDGMENT**

**THE COURT**

1. James William Christian is aggrieved by a decision of the Federal Circuit Court which found that he had infringed certain registered trade marks, all of which include the word “MUSASHI”. The trade marks were owned at the time by the Société des Produits Nestlé SA (**Nestlé**). A related company, Nestlé Australia Ltd (**Nestlé Australia**), was authorised to use them. The other respondents to this appeal were later assignees, authorised users of the trade marks (or, in the case of the fourth respondent — Post Foods Australia Pty Ltd —“associated with” the owner of the marks), which were added as parties at various times by orders of this Court or the Circuit Court. In these reasons the first to fourth respondents will be referred, together, as the **Nestlé parties** (Vitaco Health IP Pty Ltd was only added after the Court had reserved its judgment). Mr Christian’s father, Mark, whom Nestlé and Nestlé Australia had sued, but against whom no orders were made, has been removed as a party to the appeal.
2. Mr Christian is the founder of a business known as “A‑SASHI VITAMINS”. In his business, Mr Christian used the name A‑SASHI to market and sell vitamins and related products and two logos incorporating that name, all of which the primary judge held were deceptively similar to Nestlé and Nestlé Australia’s MUSASHI device mark. Besides the business name, Mr Christian also registered the domain names www.a-sashi.com and www.a-sashi.com.au through which he operated his business.
3. On the application of Nestlé and Nestlé Australia, the primary judge made orders restraining the continuing use by Mr Christian of the A‑SASHI logos and various other orders. But his Honour declined to make some of the orders they had sought relating to the cancellation of the registration of the A‑SASHI business. The question of damages remains outstanding.
4. The primary judge also ordered that Mr Christian take down from the websites to which the A-SASHI domain names resolved, and take down from the A-SASHI Facebook account, any content which displayed the word “A-SASHI” or the A-SASHI logos. His Honour also placed restrictions on the use of the domain names and Facebook pages (more about this later).
5. In this appeal (brought pursuant to leave granted by Yates J on 28 October 2014) Mr Christian challenges the findings of trade mark infringement. In a cross-appeal the Nestlé parties complain that the restraining order does not go far enough. They also contend that the primary judge erred in declining to make two of the orders they urged upon him.

# TRADE MARK INFRINGEMENT

1. The primary judge discussed the relevant legal principles at some length. It is unnecessary to repeat everything his Honour said. But it is necessary to refer to some basic propositions in order to give context to his Honour’s reasons and to the issues arising on the appeal.
2. The *Trade Marks Act 1995* (Cth) (**Trade Marks Act** or **Act**) confers exclusive rights to the use of trade marks registered under the Act “in relation to the goods and/or services in respect of which the trade mark is registered” upon the owner of the marks and those whom the owner has authorised to use them: s 20(1). In the event of an infringement of a registered trade mark, the owner is entitled to seek relief under the Act: see s 20(2). A person infringes a registered trade mark in any of three circumstances described in s 120. Relevantly, they include:

(a) where the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered (subs(1)); and

(b) where the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark, in relation to services that are closely related to registered goods, unless the person establishes that his, her or its use of the sign is not likely to deceive or cause confusion (subs(2)(b)).

1. “Sign” is defined in s 6(1) very broadly. It includes “any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent” or combination thereof. It is indisputable and not in dispute that it includes a logo.
2. “Trade mark” is defined in s 17. It means:

a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

1. To use a sign as a trade mark is to use the sign as a “badge of origin”, that is to say, to indicate a connection in the course of trade between goods or services and the person who applies the mark to those goods or services: *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 424; *Coca-Cola Co v All-Fect Distributors Limited* (1999) 96 FCR 107 at [19].
2. Using a sign in the course of trade, however, does not require that there be an actual sale. “In the course of trade” means “for the purposes of trade”: *WD & HO Wills (Aust) Ltd v Rothmans Ltd* (1956) 94 CLR 182 at 191.
3. If a trade mark consists of a letter, word, name or numeral or any combination thereof, any aural representation of the trade mark is, for the purposes of the Act, a use of the trade mark: s 7(2).
4. For the purposes of the Act, a trade mark is taken to be deceptively similar to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion: s 10. A mere possibility of confusion will not be enough, but it will be enough if there is a real risk or danger that the use of the mark will cause some prospective or potential purchasers of the goods to wonder whether the two products come from the same source: *Southern Cross Refrigerating Company v Toowoomba Foundry Proprietary Limited* (1954) 91 CLR 592; *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at [50]. As the primary judge observed at [46] of his reasons, the degree of similarity is not to be determined by a side-by-side comparison of the marks but “by comparing the actual or potential customers’ impressions of the claimed infringing mark with the customers’ impressions of the registered trade mark based on their memory of the features of the registered trade mark”.

# THE RESPECTIVE BUSINESSES

1. The following summary is derived from the judgment below. Unless otherwise indicated we do not understand it to be controversial.

## The MUSASHI business

1. Nestlé was the owner of four word marks registered under the Trade Marks Act in relation to three classes of goods and one class of services and a device mark containing the word “MUSASHI” registered in relation to four classes of goods.
2. For ease of reference, we adopt the following definitions, taken from [9]–[10] of the judgment on liability (being *Société Des Produits Nestlé SA & Anor v Christian & Anor (No 4)* [2014] FCCA 2025 (***Christian (No 4)***):

* **Class 5 MUSASHI word mark:**  word mark 563325 registered for all goods in class 5, including pharmaceutical preparations and dietetic food and substances adapted for medical use, and dietary supplements for humans.
* **Class 41 MUSASHI word mark:** word mark 563326 registered for services in class 41, these being instruction, education and information services in relation to human health, nutrition and physical culture, diet, food and dietary supplements and pharmaceutical, medical and veterinary substances.
* **Class 25 MUSASHI word mark:** word mark 563327 registered for all goods in class 25, these being clothing, footwear and headgear.
* **Class 32 MUSASHI word mark:** word mark 835451 registered for goods in class 32, namely, non-alcoholic drinks, health drinks, sports drinks and dietary drinks.
* **MUSASHI device mark:** composite mark 1172510 and registered in classes 5, 29, 30 and 32. These classes include concentrated food supplements made with carbohydrates, dietetic drinks and food for medical use; nutritional and dietetic supplements; vitamin preparations; mineral food supplements; food supplements and protein preparation for human consumption; carbohydrate preparations for food; preparations for enhancing sporting performance, physical endurance, conditioning and recovery; energy bars; cereal preparations and snacks; isotonic beverages and sports drinks; beverages for quenching thirst in liquid, powder or concentrate form (preparations for making beverages).

1. The MUSASHI device mark consists of a black rectangle in which there appears a red disc, over which the word “MUSASHI” appears in white font:



1. Nestlé Australia markets and sells a range of MUSASHI dietary supplements and sports nutrition goods in a number of countries including Australia with the authority of Nestlé. The products are widely distributed. They are sold to Coles and Woolworths and over 2,300 other businesses including all major grocery outlets, fitness centre franchises, health and supplement food stores and (through third party distribution companies) pharmacies. Some of these outlets sell MUSASHI products both online and in-store.
2. From at least 2006, Nestlé has been the registrant of the domain name www.musashi.com.au and since at least 17 May 2010 Nestlé Australia the registrant of the domain name www.musashi-slm.com.au. The former domain name resolves to the MUSASHI website, which is operated on behalf of Nestlé by Nestlé Australia, and the latter to the website www.musashi-slm.com.au. Nestlé Australia also operated and maintained a Facebook page at www.facebook.com/MusashiNutrition and, since about 10 December 2012, at www.facebook.com/slmpowershaping. Since about 2008, however, MUSASHI products have not been offered for (direct) sale online.

## The A-SASHI business

1. In about December 2012 Mr Christian started selling, online, special purpose vitamins and dietary supplements using the name A‑SASHIand a logo that included the name A-SASHI, which was applied to the vitamins and dietary supplements sold by the business. On 18 December 2012 the A‑SASHI logo looked like this:



(**the first A–SASHI logo**)

1. At a later date a second A–SASHI logo was conceived and used. It looked like this:



(**the second A–SASHI logo**)

1. The primary judge held that the A‑SASHI name and logos appeared on the A‑SASHI website (www.a-sashi.com), on its Facebook page (www.facebook.com/a.sashivitamins), and on products it sold. As at 17 December 2013, a range of products (from vitamins and minerals and other natural health products to protein supplements and health bars, listed at [27] of the primary judge’s reasons) were available for sale on the A‑SASHI website.

# THE PROCEEDING IN THE COURT BELOW

1. Nestlé and Nestlé Australia sought various declarations and orders not all of which were pursued by the time of its final submissions. The relief ultimately sought was:

1. A declaration that, by importing, selling and offering for sale supplements and therapeutic products under or by reference to the mark A-SASHI and / or the devices appearing in Annexure A, [Mr Christian and his father] have infringed Australian Registered Trade Marks:

563325 MUSASHI in class 5;

563326 MUSASHI in class 41;

563327 MUSASHI in class 25; and

1172510 MUSASHI and device in classes 5, 29, 30 and 32 (**MUSASHI Registered Device Mark**),

(collectively, the **MUSASHI Registered Marks**) within the meaning of section 120 of the Act.

3. An order that the [Mr Christian]:

(a) within 7 days of these Orders, take all necessary and reasonable steps to cancel:

(i) Australian Registered Business Name A-SASHI VITAMINS;

(ii) the registration of the domain name www.a-sashi.com (**A-SASHI Domain Name**);

(iii) the registration of the domain name www.a-sashi.com.au (**Australian A-SASHI Domain Name**); and

(iv) the Facebook account at www.facebook.com/a.sashivitamins; and

(b) within 3 days of these Orders, take down from the websites to which the A SASHI Domain Name and the Australian A-SASHI Domain Name resolve, and take down from the Facebook account at www.facebook.com/a.sashivitamins, any content which displays the mark A-SASHI and/or either of the devices appearing in Annexure A;

(c) within 14 days of these Orders, inform [Nestlé Australia] in writing that the steps in paragraph 3(a) and (b) above have been taken.

4. An order permanently restraining [Mr Christian], whether by himself or by his employees, agents or otherwise, from:

(a) importing, selling, offering for sale or promoting supplements and therapeutic products under or by reference to the mark A-SASHI (**A-SASHI Word Mark**) and/or either of the devices appearing in Annexure A (**first A-SASHI Device Mark** and **Second A-SASHI Device Mark** respectively);

(b) manufacturing, importing, selling, offering for sale or promoting any products that are not manufactured by or under the licence or authority of [Nestlé], under or by reference to:

(i) any of the MUSASHI Registered Marks; or

(ii) any name, mark, sign or device that is substantially identical or deceptively similar to any of the MUSASHI Registered Marks,

on or in relation to:

1. goods or services in respect of which the MUSASHI Registered Marks are registered;

2. goods of the same description as any goods in respect of which the MUSASHI Registered Marks are registered;

3. services that are closely related to any goods in respect of which the MUSASHI Registered Marks are registered; or

4. services of the same description as any services in respect of which the MUSASHI Registered Marks are registered;

[c] authorising, causing, procuring or inducing any other person to do so.

5. An order that the matter be listed for directions on [date] in relation to an inquiry for damages or an account of profits.

6. Within 28 days of the date or these Orders, [Mr Christian] deliver up to [Nestlé Australia], verified on oath, all goods in the possession, power, custody or control of [Mr Christian] to which any of the A-SASHI Word Mark, the First A-SASHI Device Mark, the Second A-SASHI Device Mark, or any other name, word, mark, sign or device that is substantially identical with or deceptively similar to any of the MUSASHI Registered Marks, has been applied without the licence or authority of [Nestlé].

7. An order that [Mr Christian] pay the [Nestlé parties’] costs, including any reserved costs.

8. Such further or other orders as the Court deems fit.

1. The proceeding was commenced without pleadings. Instead, the application was supported by a number of affidavits. Mr Christian also filed a number of affidavits of his own.
2. Nestlé and Nestlé Australia argued that Mr Christian had:

(a) imported into Australia, offered for sale and sold in Australia goods bearing the second A‑SASHI logo and the A‑SASHI name;

(b) otherwise used in Australia, on the Facebook page and through the “A‑SASHI Vitamins” Facebook user, the second A‑SASHI logo, and the A‑SASHI name; and

(c) otherwise used in Australia, the first A‑SASHI logo, “by reason of it being displayed on the early iterations of the A‑SASHI website, which was specifically directed at Australian consumers, notwithstanding that products were not available for delivery in Australia”.

1. They alleged two kinds of infringement:

* infringement within s 120(1) of the Act of the class 5 MUSASHI word mark, the class 32 MUSASHI work mark, the class 41 MUSASHI word mark and the MUSASHI device mark; and
* infringement within s 120(2) of the Act of the class 41 MUSASHI word mark.

1. The s 120(1) allegation related to all uses of “A‑SASHI”. Each was said to be used in relation to goods in respect of which the class 5 MUSASHI word mark and the MUSASHI device mark were registered, that is to say as dietary supplements and one of more of nutritional and dietary supplements, vitamin preparations, mineral food supplements, food supplements and protein preparation for human consumption. In addition, Nestlé and Nestlé Australia argued that the use of the A‑SASHI name and the second A‑SASHI logo “on and in relation to” a product called “Recover Whey Protein” were use of signs as trade marks in relation to a health drink, dietary drink or sports drink and thus use in relation to goods in respect of which the class 32 MUSASHI word mark is registered. Furthermore, Nestlé and Nestlé Australia contended that the blog section of the A‑SASHI website and the A‑SASHI Facebook page provided information services of the same kind in respect of which the class 41 MUSASHI word mark was registered and that they did so under the A‑SASHI name and the second A‑SASHI logo.
2. The basis for the allegation that there was a s 120(2) infringement was that Mr Christian’s use of the A‑SASHI logos in relation to the goods he marketed (being dietary and nutritional supplements) was deceptively similar to the instruction, education and information services in relation to human health, nutrition and physical culture, diet, food and dietary supplements, being services in respect of which the class 41 MUSASHI word mark is registered.
3. Nestlé and Nestlé Australia argued that Mr Christian intentionally fashioned the A‑SASHI name and logos so that they would be deceptively similar to the MUSASHI word and device marks. Deceptive similarity may be established without proof of intention. But if an intention to deceive is made out, the court could infer that Mr Christian’s intention was to adopt a mark sufficiently similar to the MUSASHI marks to allow him to trade off the reputation of those marks. Thus, Nestlé and Nestlé Australia submitted, this was another reason why the court could be comfortably satisfied that the A‑SASHI name and logos were deceptively similar to the MUSASHI marks: see *Australian Woollen Mills Ltd v FS Walton and Co Ltd* (1937) 58 CLR 641 at 657–8 (Dixon and McTiernan JJ).

# ISSUES AT TRIAL

1. There was no issue that Nestlé was the registered owner of the relevant MUSASHI trade marks and that Mr Christian had not been authorised to use them. Nor was there any issue that Mr Christian was using A‑SASHI as a sign within the meaning of the Act. The broad questions for determination at trial were:

(a) whether Mr Christian had used A‑SASHI as a trade mark and, if so,

(b) whether the A‑SASHI name or the two logos are deceptively similar to the MUSASHI trade marks in relation to goods or services in respect of which those marks were registered; or

(c) whether Mr Christian used the A‑SASHI name and logos in relation to services that are closely related to the registered class of goods and whether he proved that the use of the name and logos were not likely to deceive or cause confusion.

1. There were also issues concerning the appropriate form of relief.

# THE PRIMARY JUDGE’S DECISIONS

1. The primary judge delivered no fewer than 15 judgments. Only three are presently relevant and only two the subject of the proceedings in this Court.
2. The first relevant judgment is *Christian (No 4)*. It contains the findings of infringement. After discussing the relevant legal principles and disposing of some particular arguments to which we will come later, his Honour concluded that:

(1) Mr Christian had used the name A‑SASHI and the two A‑SASHI logos as trade marks because he:

(a) has offered and continues to offer for sale in Australia products within the A‑SASHI product range under the business name “A‑SASHI”;

(b) has offered to sell products under or by reference to the two A‑SASHI logos by consecutively applying them to those products;

(c) has offered and will continue to offer for sale products under or by reference to the second A‑SASHI logo; and

(d) used the A‑SASHI name and logos to distinguish his goods from others ([72]–[73]);

(2) the A‑SASHI line of products were “dietary supplements for humans” within the meaning of cl 5 of Schedule 1 (*scil.*) of the *Trade Marks Regulations 1995* (Cth) and so Mr Christian had used the A‑SASHI name and logos in relation to goods or services in respect of which the class 5 MUSASHI word marks are registered ([75]);

(3) Mr Christian has used the A‑SASHI name or one of the A‑SASHI logos in relation to the supply of its Recover Whey Protein product in relation to goods or services in respect of which the class 32 MUSASHI word marks are registered, because Recover Whey Protein “is at least one of the non-alcoholic drinks, health drinks, sports drinks and dietary drinks that fall within the meaning of class 32 of Schedule 1 (*scil.*) of the Regulations” ([76]);

(4) the blog section of the A‑SASHI website and the A‑SASHI Facebook page constitute “a service” within the meaning of cl 41 of the Regulations, for the provision of information ([81]);

(5) the service is provided under the use of the A‑SASHI name and logos ([81]);

(6) Mr Christian’s use of the A‑SASHI name and logos in the blog section of his website and on the business’s Facebook page is a use of the marks in relation to goods or services in respect of which the class 41 MUSASHI word mark is registered ([82]);

(7) the A‑SASHI products are goods which are closely related to the services in respect of which the class 41 MUSASHI word mark is registered ([80]); and

(8) the A‑SASHI name and logos are deceptively similar to the MUSASHI marks in that they are likely to deceive or cause confusion ([92]).

1. His Honour then made a number of orders. In these orders the A‑SASHI logos are referred to as “device marks” and the name A‑SASHI as a “mark” or “word mark”, the terminology used by Nestlé and Nestlé Australia in their proposed orders.

(1) By importing into, and selling and offering for sale supplements and therapeutic products in Australia under or by reference to the mark “A‑SASHI” (**A-SASHI Word Mark**) and the devices appearing in annexure “A” to the reasons for judgment (**First A-SASHI Device Mark** and **Second A-SASHI Device Mark**), [Mr Christian] has, within the meaning of s.120 of the *Trade Marks Act 1995* (Cth), infringed Australian Registered Trade Marks:

(a) 563325 MUSASHI in class 5;

(b) 563326 MUSASHI in class 41; and

(c) 1172510 MUSASHI and device in classes 5 and 32.

(2) Subject to order 3, [Mr Christian], by himself, or by his employees or agents, is restrained from:

(a) importing into, and selling, offering for sale or promoting supplements and therapeutic products in Australia, under or by reference to the A-SASHI Word Mark or the First A-SASHI Device Mark or the Second A-SASHI Device Mark; and

(b) authorising, causing, procuring or inducing any other person to do so.

(3) By 10 September 2014 [Mr Christian] take down from the websites to which the domain name www.a-sashi.com and the domain name www.a-sashi.com.au resolve, and take down from the Facebook account at www.facebook.com/a.sashivitamins, any content which displays the sign “*A-SASHI*” and either of the First A-SASHI Device Mark and the Second A-SASHI Device Mark.

(4) By 17 September 2014 [Mr Christian] inform [Nestlé Australia Limited] in writing that the steps required by order 3 have been taken.

…

1. The primary judge then fixed a timetable for submissions about any further orders Nestlé and Nestlé Australia might have wanted the court to make and proposed a further directions hearing “in relation to an inquiry for damages or an account of profits”.
2. The following month, after a further hearing, the primary judge varied these orders in a number of respects: *Societé des Produits Nestlé SA & Anor v Christian & Anor* *(No 6)* [2014] FCCA 2368 (***Nestlé No 6***). Relevantly to the appeal and cross-appeal, his Honour varied order 2 so that it was not subject to order 3, and varied order 3 so that it read:

(3A) By 31 October 2014 [Mr Christian] take down from the website to which the domain name www.a-sashi.com resolves, and take down from the Facebook account at www.facebook.com/a.sashivitamins, any content which displays the sign “A-SASHI” and either of the First A-SASHI Device Mark and the Second A-SASHI Device Mark in relation to goods sold or offered for sale in Australia.

(3B) By 31 October 2014 the first respondent restrict the countries in which the Facebook page at www.facebook.com/a.sashivitamins can be viewed to block the page from viewers in Australia.

(3C) By 31 October 2014 [Mr Christian] restrict the countries in which the website to which the domain name www.a-sashi.com resolves can be viewed to block the site from IP addresses in Australia.

1. His Honour also made the following orders:

(4) By 31 October 2014, [Mr Christian] take all necessary and reasonable steps either to:

(a) cancel the registration of the domain name www.a-sashi.com.au; or

(b) vary the registration of the domain name www.a-sashi.com.au to the extent necessary to prevent its use from resolving to the website to which the domain name www.a-sashi.com resolves.

(5) By 7 November 2014 [Mr Christian] inform [Nestlé Australia] in writing:

(a) that the steps required by orders 3A, 3B, and 3C of the 3 September orders, as varied by these orders, have been taken; and

(b) which of the steps required by order 4 of these orders has been taken and, if the step taken is the variation of the registration, the details of the variation of the registration that has been made.

(6) By 14 November 2014 [Mr Christian] deliver up to [Nestlé Australia], verified on oath, all goods in the possession, power, custody or control of [Mr Christian] that are located in Australia to which any of the A-SASHI Word Mark, the First A-SASHI Device Mark, and the Second A-SASHI Device Mark has been applied.

1. His Honour also ordered Mr Christian to pay costs. But he refused to make all of the additional orders that had been sought. In particular, he refused:
2. to order Mr Christian to take all necessary steps to cancel the registration of the domain name www.a‑sashi.com.au;
3. to order that Mr Christian take all necessary and reasonable steps to cancel the Australian Registered Business Name “A‑SASHI VITAMINS”; and
4. to grant an injunction to restrain Mr Christian from using the MUSASHI registered marks or any mark or sign substantially identical, or deceptively similar to, the MUSASHI registered marks.
5. Later still, in *Société Des Produits Nestlé SA v Christian (No 12)* [2014] FCCA 2875, his Honour ordered a further variation to order 2 of the original orders as varied on 17 October 2014 by adding after the word “promoting” the words “for sale”. He also relevantly set aside order 3C and made the following order:

[Mr Christian] by himself, or by his employees or agents, is restrained from operating or using the website to which the domain name www.a-sashi.com resolves (**Website**) to promote, supply, sell, or otherwise deal with supplements and therapeutic products under or by reference to the A-SASHI Word Mark or the First A-SASHI Device Mark or the Second A-SASHI Device Mark (as these terms are defined in the orders made on 3 September 2014) (**A-SASHI marks**) unless:

(a) the Website is set to block the sale or supply into Australia of goods or services in relation to which any one of the A-SASHI marks is used; and

(b) the Website is set to cause the checkout page on the Website to state that goods in relation to which any one of the A-SASHI marks is used are shipped only within the United States of America or some other place other than Australia; and

(c) the Website contains no reference to Australia including any address in Australia.

1. Before we deal with the appeal and cross-appeal, it is necessary to deal with a number of preliminary matters.

# THE INTERLOCUTORY APPLICATIONS

1. When the appeal was called on for hearing, the Court first heard argument from Mr Christian on an interlocutory application seeking leave to amend the notice of appeal, an application for leave to file an interlocutory application for leave to appeal some of the primary judge’s procedural rulings, and an application for an adjournment.

## The application for leave to amend the notice of appeal

1. Mr Christian applied for leave to add the following additional grounds to his notice of appeal:
2. Orders 3(3A) and 3(3B) made on 17 October 2014 and executed on 31 October 2014 are in excess of the Court’s jurisdiction; and
3. The applicant’s application filed on 20 December 2013 and the subsequent proceeding were without merit and wholly commenced for a collateral purpose such that the proceeding constitutes an abuse of process.
4. The Court reserved its decision on ground (i) and refused leave in respect of proposed ground (ii), indicating that our reasons would be given in the reasons for judgment.

### Proposed ground (i)

1. Proposed ground (i) seeks to challenge orders 3A and 3B set out above at [36].
2. Leave was refused because the ground had no prospects of success.
3. Mr Christian contended that the orders were not within the power of the Federal Circuit Court to make because the facebook.com domain is administered outside Australia and outside the Federal Circuit Court’s jurisdiction. In support, Mr Christian filed an affidavit in which he deposed that the A‑SASHI Vitamins Facebook fan page is hosted on the Facebook website which uses a dot com, a top level domain under the ultimate jurisdiction of US law and administered at server locations in the US and Sweden.
4. The contention misunderstands what the orders require of Mr Christian. The fact that the facebook.com domain is administered outside Australia is irrelevant as the orders that were made are orders against Mr Christian personally, and it was within the Court’s power to make such orders against Mr Christian, albeit that they may involve him doing an act outside the jurisdiction: see *Australian Competition & Consumer Commission v Purple Harmony Plates Pty Ltd (No 3)* [2002] FCA 1487; 196 ALR 576 at [41]-[45]. Accordingly, there would be no utility in advancing this proposed ground of appeal.

### Proposed ground (ii)

1. Proposed ground (ii) asserts that the proceedings below were brought “without merit and wholly commenced for a collateral purpose such that the proceeding constitutes an abuse of process”.
2. The relevant parts of the affidavit supporting this proposed ground were not in admissible form but were accepted by the Court as submissions. Mr Christian contended that the Nestlé parties had “wrongly proposed false material facts which caused the Court to err in judgment such that the Court incorrectly accepted as fact that two logos were used on A‑SASHI vitamins packaging”. Mr Christian submitted that the first A‑SASHI logo has never appeared on any A‑SASHI goods sold or marketed in Australia and that it was unfairly prejudicial for the court below to consider the first A‑SASHI logo as evidence in determining the issue of deceptive similarity.
3. Mr Christian sought, and was refused, leave to re-open his case before judgment in the Federal Circuit Court to seek “a vexatious proceedings order” (see *Société Des Produits Nestlé SA v Christian (No 2)* [2014] FCCA 1867). After judgment was delivered, Mr Christian applied for leave to file a cross-claim for unconscionable conduct based on the same allegation. In response to that application, the primary judge ordered that, in support of any application to file such a cross-claim, Mr Christian must accompany any draft cross-claim with a statement signed by a person holding a current practising certificate, certifying that there are reasonable grounds for believing on the basis of provable facts and a reasonably arguable view of the law that the claims pleaded in the draft cross-claim have reasonable prospects of success: see *Société Des Produits Nestlé SA v Christian (No 3)* [2014] FCCA 2024 (***Christian (No 3)***) at [61] and orders 5(a) and 5(d). Though Mr Christian had sought and been granted several extensions of time, the most recent being until 27 February 2015, no such application was filed: see *Société Des Produits Nestlé SA v Christian (No 10)* [2014] FCCA 2524 at [3] and [22].
4. During the hearing of the appeal, Mr Christian was asked to clarify the “collateral purpose” that he was alleging. Mr Christian’s response was:

Well, I’ve been put out of business. It has recently come to my attention that my supplier, Inflighter, is very unique. 40 years of experience – and they’re using my supplier.

1. Nothing in the material to which the Court was taken supports Mr Christian’s claim of collateral purpose, which we found tendentious. Furthermore, it is not open to Mr Christian to seek to agitate a contention of collateral purpose in this appeal, when such a claim was not made in the proceedings below and the foreshadowed cross-claim was never brought.

## The proposed interlocutory application

1. By the proposed interlocutory application, Mr Christian sought leave to appeal the following orders of the primary judge:

(a) order 5(a) made 3 September 2014 and later extended twice, placing a time limit by which Mr Christian could raise a cross-claim in the proceedings;

(b) order 1 made 19 December 2014 refusing Mr Christian leave to administer interrogatories; and

(c) orders 2 and 3 made 19 December 2014 setting aside subpoenas filed by Mr Christian and ordering that Mr Christian must not file with the registry of the court any subpoena without the prior leave of a judge of the Court.

1. Mr Christian also sought leave to add the following grounds to his notice of appeal:

(a) by the Federal Circuit Court making orders 1, 2 and 3 on 19 December 2014 and not allowing [him] to administer interrogatories or file subpoenas, the Court denied [him] the right to evidentiary and procedural rules of the Court, and in doing so denied the right to natural justice, which is implied in the Australian Constitution through procedural due process standards and which is implied to include, through expressions of justice, a right to a fair hearing and the lack of bias, and

(b) by the Federal Circuit Court making orders 1, 2, and 3 on 19 December 2014 and not allowing [him] to administer interrogatories or file subpoenas, the Court denied [him] the ability to meet order 5(d), made on 3 September 2014, ordering the merit of the cross-claim by [him] to be properly determined and certified by a person who holds a current practising certificate.

1. As we noted above, the Court refused leave to file the interlocutory application, stating that we would give our reasons in the judgment.
2. To understand Mr Christian’s proposed grounds, it is necessary to set out some background. The orders made by the Federal Circuit Court on 4 September 2014 required that any application for a cross-claim by Mr Christian be filed by a certain date and that the merits of the application to file a cross-claim must be certified by a person holding a current practising certificate: see *Christian (No 3)* and orders 5(a) and 5(d). The Federal Circuit Court reasoned as follows at [54]–[62]:

54 Part 28 of the *Federal Circuit Court Rules 2001* (Cth) deals with cross-claims. Rule 28.04 provides that a cross-claim must be included in the respondent’s response. Mr Christian has not done this. The question that Mr Christian’s application raises, therefore, is whether the Court, in the exercise of its discretion, should at this late stage permit Mr Christian to file a cross-claim.

55 There are sound reasons why I should not exercise my discretion. First, although Mr Christian in his affidavit makes serious claims of wrongdoing against the applicants and their advisors, Mr Christian does not particularise the claims. Instead, Mr Christian claims that evidence of wrongdoing will be uncovered through the making of the other orders he seeks, and in particular, orders for “*discovery through subpoenas, production of documents and interrogatories*”. That is made clear in the following paragraph of Mr Christian’s affidavit:

*The application seeks the Court to issue orders for discovery through subpoenas, production of documents and interrogatories in order to access evidence which unequivocally shows deponents made false statements during cross-examination at the 6 June 2014 hearing, and to also show that evidence which was both annexed and stated in affidavits in the proceedings was deliberately falsified & intentionally misrepresented by the deponents.*

56 In other words, Mr Christian has not articulated any reasonably viable cross-claim that would withstand summary dismissal. Most of the orders for “*discovery through subpoenas, production of documents and interrogatories*” are sought for the purpose of enabling Mr Christian to formulate a case, rather than to aid a case he has articulated.

57 Second, assuming Mr Christian has a reasonably viable cross-claim, he has not given any adequate explanation for his not having sought to file a cross-claim before or during the hearing. Even if I accept, as Mr Christian claims, that he first became aware of s.20 of the ACL on 22 July 2014 during a meeting at the Melbourne office of the Australian Competition and Consumer Commission, Mr Christian was aware of the matters on which he appears to rely for claiming or wishing to claim that the applicants have engaged in unconscionable conduct. Mr Christian refers to a number of paragraphs of two of his affidavits which he filed in these proceedings. Mr Christian, therefore, had an opportunity before the hearing to apply for leave to raise a defence or cross-claim based on unconscionable conduct.

58 There is, however, a factor that weighs in favour of permitting Mr Christian to file a cross-claim; if I do not grant Mr Christian leave to file a cross-claim in these proceedings, and Mr Christian commences fresh proceedings against the applicants in which he claims they have contravened s. 20 of the ACL, he may be met with an Anshun plea. That is, the applicants in those proceedings may claim that Mr Christian ought to have raised the claims under s. 20 of the ACL in these proceedings and, because he did not, he is estopped from raising them in other proceedings.

59 During the hearing on 29 August 2014, I raised with counsel for the applicants that one factor that may be relevant to whether I should grant leave to Mr Christian to file a cross-claim is whether my refusal to do so may expose Mr Christian to an Anshun plea. Counsel for the applicants submitted that this factor, if relevant at all, should be given no weight. Mr Christian has been aware of the matters on which he appears to rely for claiming wrongdoing against the applicants and their advisers, and yet did nothing to file a cross-claim.

60 There is weight in counsel’s submission. I cannot ignore, however, the fact that Mr Christian is an unrepresented litigant and that, so I infer, Mr Christian has been ignorant of the necessity for him to file a cross-claim in the proceedings, and was ignorant of the potentially adverse consequence to him of not filing a cross-claim. I am therefore minded to dismiss the cross-claim application, but provide Mr Christian with a final opportunity to obtain legal advice about whether he does have a viable claim against the applicants and, if so, to apply for the leave of the Court to file a cross-claim.

61 Accordingly, I propose to permit Mr Christian to file an application in a case to seek leave to file a cross-claim. I propose, however, to impose the following conditions on his doing so:

a) He must apply for such leave by no later than 15 October 2014 by filing an application in a case.

b) The application in a case must be accompanied by a draft proposed cross-claim.

c) The draft cross-claim must be in the form of the cross-claim provided for in form 31 of the *Federal Court Rules 2011* (Cth) (**FCR**), and it must be accompanied by a statement of cross-claim which complies with r. 16.02 of the FCR.

d) The application to file a cross-claim must be accompanied by a statement, signed by a person who holds a current legal practising certificate, to the effect that there are reasonable grounds for believing on the basis of provable facts and a reasonably arguable view of the law that the claims pleaded in the statement of cross claim have reasonable prospects of success.

e) If the application to file a cross-claim does not substantially comply with any one of these requirements, the application will be dismissed.

62 I should say something about the considerations that have led me to decide to impose these conditions. If Mr Christian were to be permitted to again apply to file a cross-claim, and he were permitted to do so without the conditions I propose to impose, it is more than likely that he would file an application along the same lines he has already filed on two occasions and which I have dismissed. In these circumstances, and because Mr Christian has now realised he needs legal assistance, and has applied for an adjournment for the purpose of being given an opportunity to obtain legal advice, I am of the view that it would be just in the interests of both Mr Christian and the applicants that Mr Christian be permitted to again apply to file a cross-claim but only after he has had an opportunity to seek and obtain legal advice, and only if the legal advice he receives is that he has a reasonably arguable cause of action against the applicants based on provable facts and a reasonably arguable view of the law, and some legal practitioner certifies to the Court that Mr Christian has such reasonable cause of action.

(Footnotes omitted.)

1. Mr Christian’s stated purpose for the interrogatories and the subpoenas was to obtain the material facts to give to a lawyer in order to obtain the certification. However, the primary judge held that the proposed subpoenas and interrogatories were a “fishing” exercise: *Société Des Produits Nestlé SA v Christian (No 14)* [2014] FCCA 2968. His Honour stated at [12]-[15]:

12 The purpose for which Mr Christian seeks the documents described in the subpoenas is not a legitimate forensic purpose. First, there is no issue before the Court to which the documents described in the proposed subpoenas is apparently relevant. The cross-claim which Mr Christian says in his affidavit he wishes to assert is not before the Court. A cross-claim by Mr Christian will only be before the Court if leave is given, after an application for such leave is made pursuant to the orders I made on 3 September 2014, and such application is supported by a draft cross-claim that has been certified by a legal practitioner to have reasonable prospects of success.

13 Second, it is apparent that Mr Christian seeks the documents described in the subpoenas for the purpose of enabling a lawyer to determine whether there may be facts on the basis of which the lawyer is able to frame a cross-claim which the lawyer will be able to certify has reasonable prospects of success. That is fishing.

14 Interrogatories are a species of discovery. Their purpose is to require the party to whom they are addressed to provide answers that are relevant to an issue in a case. This Court has power to permit a party to administer interrogatories, but only if the Court makes a declaration under s. 45(1) of the *Federal Circuit Court of Australia Act 1999* (Cth) (**FCCA Act**) that it is appropriate, in the interests of the administration of justice, to allow the interrogatories.

15 As I have already noted, the cross-claim Mr Christian says he wishes to assert is not before the Court. There is no issue before the Court, therefore, in relation to which the answers sought by the interrogatories Mr Christian seeks to administer are or can be relevant. Given there is no cross-claim before the Court, there is no proceeding in relation to which a declaration can be made under s. 45(1) of the FCCA Act. Even if there were such a proceeding, given there is no cross-claim before the Court, I am not satisfied that it is appropriate, in the interests of the administration of justice, to allow Mr Christian to administer interrogatories.

1. The further orders that Mr Christian sought to appeal by the proposed interlocutory application dealt with matters of practice and procedure and involved the exercise of discretion. The High Court observed in *Adam P Brown Male Fashions Pty Ltd v Philip Morris Inc* (1981) 148 CLR 170 at 177 that appellate courts exercise “particular caution” in reviewing decisions of this nature and, whilst declining to lay down any rigid or exhaustive criteria, it cited with approval the following remarks of Sir Frederick Jordan in *In re the Will of FB Gilbert (dec)* (1946) 46 SR (NSW) 318 at 323:

[T]here is a material difference between an exercise of discretion on a point of practice or procedure and an exercise of discretion which determines substantive rights. In the former class of case, if a tight rein were not kept upon interference with the orders of Judges of first instance, the result would be disastrous to the proper administration of justice. The disposal of cases could be delayed interminably, and costs heaped up indefinitely, if a litigant with a long purse or a litigious disposition could, at will, in effect transfer all exercises of discretion in interlocutory applications from a Judge in Chambers to a Court of Appeal.

1. In any case a discretionary decision of any kind can only be disturbed for error of the kind described in *House v The King* (1936) 55 CLR 499.
2. Mr Christian did not make out a case that there was any appealable error in relation to the making of the orders in question and no error of law was apparent on the face of the reasons. Nor was it shown that the Federal Circuit Court acted on a wrong principle or that its discretion miscarried in some other respect. Accordingly, there was no warrant for granting leave to file the interlocutory application.

## The application for an adjournment

1. Following the Court’s refusal to grant leave to file the proposed interlocutory application, Mr Christian applied for an adjournment. The request for an adjournment was put on the basis that he was suffering depression due to the overwhelming requirements of the appeal and that he required, and had a right, to legal representation. He said that he had only recently been in a financial position to obtain that legal representation and sought an adjournment to do so.
2. Mr Christian relied on a letter from his mother dated 5 January 2015. In that letter Ms Christian stated:

I would be confident to assist with funding legal representation but would require until 31 May 2015 in order to save a further $15,000. If you are able to adjourn your appeal I would be able to commit to funding representation.

1. The Court was not bound to grant an adjournment in order for Mr Christian to obtain representation as there is no requirement that he be legally assisted in this appeal. His request for an adjournment to obtain legal representation is a matter that the Court was required to consider but it is in the Court’s discretion as to whether there should be an adjournment. The letter provided an insufficient basis for the Court to be assured that funding would become available by 31 May 2015, or at any time. The Court was not persuaded that there would be any utility in adjourning the appeal to enable Mr Christian to obtain legal representation. There appeared to be no real likelihood that Mr Christian would, or would be able to, obtain legal representation if the appeal were adjourned.
2. For these reasons, Mr Christian’s application for an adjournment was also rejected.

# THE APPEAL

1. There are three grounds of appeal. Mr Christian alleges that the primary judge erred:

(1) by taking into account the first A‑SASHI logo when determining the question of trade mark infringement;

(2) by incorrectly applying the proviso in s 120(2) of the Act; and

(3) in finding that the name “A-SASHI” (**A-SASHI** **word mark**), the first A‑SASHI logo and the second A‑SASHI logo were each deceptively similar to, and thereby infringed, each of the class 5 MUSASHI word mark, class 41 MUSASHI word mark and MUSASHI device mark.

## Was the primary judge entitled to take into account on the question of trade mark infringement the first A‑SASHI logo?

1. This question relates to the first issue at trial: whether Mr Christian had used A‑SASHI as a trade mark. This ground of appeal challenges the primary judge’s findings at [23]‑[25], but only to the extent that they concern the first A‑SASHI logo. His Honour said at [23]‑[25]:

23 The A-SASHI business has used the A-SASHI name and the first and second logos in a number of ways. First, the name and logos have appeared on the A-SASHI website. As at 18 December 2012, 13 March 2013, and 23 October 2013, the A-SASHI website had a page with the words “*CONTACT US*” which provided two addresses, one in New York, and one in Melbourne. Each of the pages also contained a contact telephone number for each address.

24. A second way in which the A-SASHI business has used the A-SASHI name and logos is on a Facebook page it maintains at www.facebook.com.a.sashivitamins (**A-SASHI Facebook page**). There is evidence that at various times there was posted on the A-SASHI Facebook page a photograph of an Australian Rugby League team, an AFL team, and the Melbourne Cup. On 6 June 2013 the A-SASHI Facebook page recorded “*AUSTRALIA & NEW ZEALAND – Next Day Shipping*”.

25 A third way in which the A-SASHI business has used the A-SASHI name **and logos** is by selling products which bear the A-SASHI mark. On 5 June 2013 a solicitor for Nestlé Australia and Nestlé visited the A-SASHI website and placed an online order for one container of A-SASHI “*Women’s Multi-Vitamins*”. On 11 June 2013, the solicitor received in the mail the product she ordered. On 21 November 2013, an employee of a private investigation firm placed an order via the A-SASHI website for nine items within the A-SASHI products range. On 22 November 2013, Mr Christian sent an email to the person who ordered the items confirming that “*your order has been dispatched today*”, but noting that one of the items ordered was out of stock.

(Footnotes omitted, emphasis added to [25], otherwise original emphasis.)

1. On the basis of these findings and the evidence set out at [26]–[28], the primary judge held (at [72]) that Mr Christian has offered and continues to offer for sale in Australia products under the business name “A‑SASHI” and under or by reference to the two A‑SASHI logos. His Honour stated that Mr Christian did this by applying to the A‑SASHI goods the first and then the second A‑SASHI logos. He also held that Mr Christian used the A‑SASHI name and the first and second A‑SASHI logos to distinguish his goods from others and hence as a trade mark.
2. Mr Christian’s evidence was that A‑SASHI goods were shipped to Australia on 5 April 2013, although they did not arrive until the first week of May. He submitted that the primary judge wrongly found that he had used both A‑SASHI logos after May 2013 when DHL delivered into Australia the first and only shipment of A‑SASHI vitamin products for purchase in Australia. We interpolate that thereafter Mr Christian’s evidence is that they were manufactured locally. Mr Christian contended that on 20 December 2013 the lawyers acting for Nestlé and Nestlé Australia, Banki Haddock Fiora, had “deliberately introduced incorrect evidence” to the proceedings and that this conduct had caused the primary judge to wrongly find that the two logos were used by the A‑SASHI business to sell products in Australia. Mr Christian submitted that on 11 June 2013 Ms Shearer, a partner of Banki Haddock Fiora, received one container of A‑SASHI Vitamins Women’s Multi-vitamins, which displayed only the second A‑SASHI logo on the container’s label. Yet, 10 days later she sent Mr Christian a letter of demand which incorporated the first A‑SASHI logo. Mr Christian insisted that the evidence before the primary judge was that A‑SASHI Vitamins products have only ever been produced with the inclusion of the second A‑SASHI logo on the container label.
3. The Nestlé parties concede that his Honour was wrong to include the first A‑SASHI logo at [25] of his reasons. The Nestlé parties accept that there was no evidence to support such a finding.
4. All the evidence of importation into, and sale in, Australia related to goods bearing the second A‑SASHI logo. Indeed, the case put against Mr Christian concerning importation related only to the second A‑SASHI logo and the A‑SASHI word mark. The allegations about the first A‑SASHI logo were based on the way in which it was displayed on “the early iterations” of the A‑SASHI website.
5. Mr Christian deposed that the first A‑SASHI logo has never appeared on any A‑SASHI goods marked or, for that matter, sold in Australia or any other part of the world.
6. Ultimately, however, nothing turns on the primary judge’s error. That is because, regardless of whether the first A‑SASHI logo was applied to the A‑SASHI goods, there was sufficient evidence to support the finding that Mr Christian used the logo as a trade mark. Mr Christian’s argument to the contrary erroneously assumes that trade mark infringement involving the use of the first A‑SASHI logo could only have occurred if that logo were applied to an A‑SASHI product sold in Australia.
7. To understand why the assumption is erroneous, it is necessary to return to the Act.
8. Section 7(4) of the Act states:

In this Act:

***use of a trade mark in relation to goods*** means use of the trade mark upon, or in physical or other relation to, the goods (including second-hand goods).

1. Whether a sign is used as a trade mark is to be determined objectively. It does not depend upon what the alleged user believes or intends. As Prof Davison and Mr Horak put it in *Shanahan’s Australian Law of Trade Marks and Passing Off* (5th ed, Thomson Reuters, 2012) at [5.2010]:

[I]f a sign does function as a trade mark, indicating the origin of goods or services, registration (or infringement) is not precluded because the sign was actually intended as an advertising slogan or to indicate a particular make or model of the product[.] It is no defence that the alleged infringer did not intend to use the sign as a trade mark.

(Footnotes omitted.)

1. While the evidence did not prove that the first A‑SASHI logo had been used *upon* the A‑SASHI goods, it did prove that it had been used “in physical or other relation to” them.
2. The expression “in physical or other relation to” is a very broad one. Thus, as the learned authors of Shanahan’s point out at [5.1430]:

use of a trade mark in advertisements, invoices or other documents relating to goods … can be trade mark use for the purposes of the Act. For use in advertising to be trade mark use, the goods or services must be available to be ordered or traded, for otherwise the use could not be *in the course of trade*.

(Emphasis in original, footnotes omitted.)

1. It was, of course, necessary for Nestlé and Nestlé Australia to prove that the first A‑SASHI logo had been used in relation to the goods in Australia but they discharged their burden in this regard. In *Ward Group Pty Ltd v Brodie & Stone plc* (2005) 143 FCR 479(***Ward Group***) at [43] Merkel J explained:

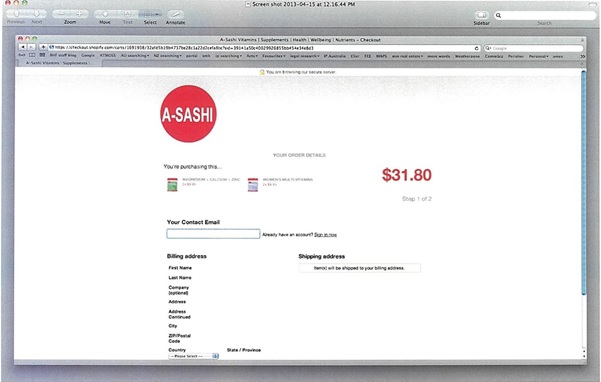
[T]he use of a trade mark on the internet, uploaded on a website outside of Australia, without more, is not a use by the website proprietor of the mark in each jurisdiction where the mark is downloaded. However, … if there is evidence that the use was specifically intended to be made in, or directed or targeted at, a particular jurisdiction then there is likely to be a use in that jurisdiction when the mark is downloaded. Of course, once the website intends to make and makes a specific use of the mark in relation to a particular person or persons in a jurisdiction there will be little difficulty in concluding that the website proprietor used the mark in that jurisdiction when the mark is downloaded.

See also *International Hair Cosmetics Group Pty Ltd v International Hair Cosmetics Ltd* (2011) 218 FCR 398 where Logan J held that trade marks on a British website constituted use in Australia by marketing to Australians through a drop-down link to a page containing certain products marketed and sold in Australia.

1. Here, the evidence disclosed the use of the first A‑SASHI logo in relation to the A‑SASHI goods. There was evidence that the use was specifically intended to be made in Australia, or directed or targeted at, Australians. Furthermore, the website intended to make, and made, specific use of the mark in relation to Ms Shearer in Australia, although she did not actually make any purchases. In other words, there was trade mark use in Australia. For these reasons, the primary judge was entitled to take into account the first A‑SASHI logo in determining whether or not Mr Christian had infringed the MUSASHI trade marks.
2. It follows that the contention that the lawyers for Nestlé and Nestlé Australia deliberately misled the Court should be emphatically rejected.
3. Most of the evidence showed that only the second A‑SASHI logo was employed on the A‑SASHI website, the Facebook page, and the products. Contrary to Mr Christian’s position, however, there was evidence to support the primary judge’s finding in [23] that both the first and the second A‑SASHI logos were used by the A‑SASHI business to market and sell its products in Australia.
4. As the primary judge observed, on 18 December 2012 the “contact us” page on the www.a‑sashi.com website, which prominently displayed the first A‑SASHI logo, advertised “free shipping worldwide on all orders over $100” and provided two points of contact, one in New York, the other in Melbourne. Different telephone numbers were provided for each point of contact. After the Melbourne address there appeared a 1300 number.
5. On 15 April 2013, Ms Shearer stated:

I commenced the process for purchasing two packets of A-Sashi “Magnesium + Calcium + Zinc” tablets and two packets of A-Sashi “Women’s Multi-Vitamins” tablets on the Website.

1. Ms Shearer took a screen shot of the checkout page on the website. That clearly depicts the first A‑SASHI logo being used in connection with the prospective sale of the two products to Ms Shearer in Australia:



1. Had Ms Shearer proceeded with the purchase, presumably she would have received the items some short time after the first week in May 2013 when they arrived in Melbourne. It does not matter that there was in fact no purchase. It is enough that the products were advertised or offered for sale in Australia: *Ward Group* at [36].
2. Secondly, there is no evidence of when the first A‑SASHI logo was abandoned. The primary judge was required to evaluate the evidence “according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted”: *Blatch v Archer* (1774) 1 Cowp 63 at 65; 98 ER 969 at 970 (Lord Mansfield). This Court was not taken to any evidence from Mr Christian to show when the first A‑SASHI logo was removed from the website.
3. It follows that we accept the submission that the primary judge’s error is of minimal effect. The solution, as the Nestlé parties proposed, is to vary the declaration in order 1 so as to confine the reference to the first A‑SASHI logo to infringement by offering for sale in Australia.

## Did the primary judge incorrectly apply the proviso to s 120(2)?

1. This is the question raised by the second ground of appeal.
2. We have already referred to s 120(2) but it is convenient at this point to extract the subsection in full:

A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:

(a) goods of the same description as that of goods (***registered goods***) in respect of which the trade mark is registered; or

(b) **services that are closely related to registered goods**; or

(c) services of the same description as that of services (***registered services***) in respect of which the trade mark is registered; or

(d) **goods that are closely related to registered services**.

However, the person is not taken to have infringed the trade mark if the person establishes that using the sign as the person did is not likely to deceive or cause confusion.

(Emphasis added.)

1. The reference to the proviso is to the qualification contained in the last sentence of the subsection.
2. We will come to Mr Christian’s submissions shortly, but first it is necessary to turn to the primary judge’s findings on the s 120(2) infringement allegation. That allegation, it will be recalled, related only to the use of the A‑SASHI products in relation to goods closely related to the services in respect of which the class 41 MUSASHI word mark is registered (**class 41 services**). Since the primary judge found (at [82]) that Mr Christian had infringed the class 41 MUSASHI word mark within s 120(1) of the Act (by using the A‑SASHI name and logos in respect of class 41 services), even if his Honour erred in the respects alleged, the error has no practical consequence.
3. The primary judge’s findings concerning the alleged infringement of s 120(2) appear at [80]. They were confined to the class 41 MUSASHI word mark. There, his Honour held that the A‑SASHI products are goods which are closely related to the provision of services in respect of which the class 41 MUSASHI word mark was registered because:

[t]he A-SASHI products relate to **human health and nutrition**. And their consumption is intended to be guided by a variety of information about how they relate to **health and nutrition**, and how they may be used to enhance **health and nutrition.**

(Emphasis added.)

1. It will be recalled that the class 41 MUSASHI word mark was registered in respect of services which included “instruction, education and information services in relation to **human health, nutrition** … and dietary supplements … ” (emphasis added).
2. This conclusion is unremarkable. It was reached after a consideration of the analysis of the expression “closely related goods” by French J (as his Honour then was) in *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365. There, at [38], his Honour said that, in most cases, whether goods and services are “closely related” for the purposes of the predecessor to s 120(2) of the Act depends on the function of the service with respect to the goods. Here, one of the functions for which the services are registered is the recommendation of the type of goods (supplements) to be used by the consumer, a service likely to be provided at the same time as the goods are supplied, or combination with the supply.
3. The challenge to this finding only relates, however, to the proviso, the effect of which is that there will have been no infringement for the purposes of s 120(2) if Mr Christian established that actual use of the A‑SASHI marks is not likely to deceive or cause confusion.
4. Mr Christian’s first argument was that evidence and “material facts” before the court below showed that A‑SASHI vitamins and MUSASHI goods are “not substitutable”, that they are offered for sale to consumers through different distribution channels according to different pricing models and in different “market segments” and that there was no evidence which showed that it was likely that a person would be deceived or confused.
5. Mr Christian argued that consumers cannot buy MUSASHI products “direct online”. Rather, he submitted, they buy them through retail outlets. By contrast, he said, consumers can only buy A‑SASHI vitamins direct online, at price points which do not incorporate a retail margin.
6. Mr Christian also argued that “Musashi” did not market products in a tablet format or “any Specific Purpose products” until March 2014 (and then only powders, not tablets), and that they did not market any multi-vitamin products.
7. Furthermore, Mr Christian argued, when a google search is conducted for “musashi” the subject heading is “Trusted Performance Nutrition”, not vitamins, and the company is said to “[specialise] in protein powder & amino acids”.
8. Mr Christian also drew attention to the places at certain supermarkets where the different products were offered for sale. In Woolworths and Chemist Warehouse, for example, MUSASHI products are displayed in the “Sports Nutrition” aisle. Coles and Priceline sell MUSASHI products as “Sports Supplements”, not vitamins. Mr Christian submitted that, since all major Australian retailers clearly distinguished between a “sports/performance nutrition” brand and a “vitamins” brand, “it follows consumers also make the same clear distinction”. For emphasis, Mr Christian also referred to the website profile of a solicitor who had acted on the sale of MUSASHI to Post Holdings, Inc. (the holding company for Post Foods Australia Pty Ltd, the fourth respondent) in which the sale was described as a sale of the “Musashi performance nutrition business”.
9. The primary judge summarised Mr Christian’s submissions on this question at [62]:

Mr Christian submits the MUSASHI products and the A-SASHI products are offered for sale to consumers in different market segments and, for that reason, consumers of the A-SASHI products are not likely to be deceived when exposed to the A-SASHI name or logo. He also submits that the A-SASHI products are supplied through a supply channel, for prices that are different from the channels through which and the prices for which the MUSASHI products are supplied and, for those reasons, consumers of the A-SASHI products are not likely to be deceived.

1. The arguments were referred to in greater detail in his Honour’s reasons at [94]ff. They were substantially revived on the appeal.
2. His Honour dealt with Mr Christian’s submissions at some length ([94]–[103]), concluding at [102]–[103]:

102. In my opinion, this evidence shows, and I find, that Mr Christian and his father regarded, and continue to regard the actual or potential customers of the A-SASHI range of products to be the same, or substantially the same persons who are the actual or potential customers of the MUSASHI range of products. That is made clear by Mr Mark Christian in his email to Mr Guise that I have set out above. By saying that he did not “*believe any brand has ownership of the performance nutrition space*” Mr Christian’s father implicitly considered that A-SASHI was a brand that belonged in the “*performance nutrition space*”. It is also made clear by Mr Christian’s posts on the MUSASHI Facebook page. Of particular significance is tagging the A-SASHI Facebook page on the MUSASHI Facebook page. That indicates that Mr Christian must have regarded persons who viewed the MUSASHI Facebook page as persons who were potential purchasers of the A-SASHI products.

103. I find, therefore, that the A-SASHI range of products are supplied, and are intended to be supplied into a market in which at least a substantial proportion of the MUSASHI range of products is and has been supplied.

1. These findings were open on the evidence for the reasons his Honour gave.
2. The email to Mr Guise to which his Honour referred at [102] was an annexure to Mr Christian’s affidavit of 12 March 2014 (annexure J4). It appears that MUSASHI had a sponsorship arrangement described as a “partnership” with the Brisbane Roar Football Club with whom Mr Guise was associated. Mark Christian wanted a similar arrangement for A‑SASHI. His Honour observed at [99]:

[T]here is a chain of emails between Mr Christian’s father, Mr Mark Christian, and Mr Guise on behalf of the Brisbane Roar Football Club concerning the possible sponsorship of the club by A-SASHI. On 14 November 2013 Mr Mark Christian stated that he was interested in a “*partnership program*”, and requested information about member numbers, match crowd numbers, television coverage numbers, costs and availability of other items, and costs of digital advertising on Facebook and Twitter. By further email sent, Mr Guise provides the information requested by Mr Mark Christian. Later in the email, Mr Guise stated that the “*current brand partners include well known performance brands such as Puma, 2XU and Musashi*”. Also on the same day, Mr Mark Christian responded by email asking, among other things, whether A-SASHI could “*supply free vitamins & dietary supplements for players (viz. any issues with Musashi sponsorship)*”. Mr Guise responded that he “*would seek pre-approval from Musashi but don’t foresee any issues here*”. In his response, Mr Mark Christian said:

*We would be pleased to supply vitamins to BRFC at the same time Musashi are supplying powders. We don’t require an exclusive agreement as we don’t believe any brand has ownership of the performance nutrition space …*

(Footnotes omitted.)

1. The primary judge also referred to the A‑SASHI webpage and its Facebook page. His Honour described the theme as “overwhelmingly one of fitness” (at [100]), noting images of fit men and women, including a number showing a man and a woman lifting weights. He noted, too, the evidence of blog posts taken from the A‑SASHI website mentioning the “*A‑SASHI* *promo bike fleet*”, the racing driver, Daniel Ricciardo, being signed to Red Bull, and Andy Murray’s success at Wimbledon in 2013. He said there were many posts relating to sport on the A‑SASHI Facebook page.
2. The observation in [102] to “tagging” of the A‑SASHI Facebook page on the MUSASHI Facebook page is a reference to a link embedded within a comment Mr Christian posted on a photograph appearing on the MUSASHI Facebook page. The comment read: “Winner beverages A‑Sashi Vitamins!”. The words “A‑Sashi Vitamins” carried the link. Anyone who clicked on those words would be taken to the A‑SASHI Facebook page. His Honour referred to several other posts by Mr Christian on the MUSASHI Facebook page.
3. Mr Christian also argued that the evidence and “material facts” showed that the A‑SASHI Vitamins specific purpose dietary supplement product range was made in America using manufacturing capabilities which Nestlé does not possess and which makes the A‑SASHI products “distinctly unlike” MUSASHI products. It is difficult to know what to make of this argument. No further detail was given in the written submissions. In oral argument Mr Christian claimed that specific equipment was required to manufacture tablets and that Nestlé did not have the necessary equipment to do that, but he did not take the Court to any evidence to support the claim.
4. Regardless, we fail to see how the need for specific equipment to manufacture tablets has any bearing on the question of infringement.
5. Mr Christian further submitted that the primary judge erred in his application of s 120(2) of the Act by “not taking into proper account” evidence showing that the A‑SASHI marks were conceived and developed in a way which was not intended to deceive or cause confusion with the MUSASHI registered marks.
6. The question of intention was also irrelevant to the operation of the proviso. The proviso looks to the likely effect of the use, not to the intention of the user. For this reason Mr Christian’s additional submission must be rejected.

## Was the primary judge wrong to conclude that the marks were deceptively similar?

1. The final ground of appeal challenges the finding that the A‑SASHI marks were deceptively similar to the class 5 MUSASHI word mark, class 41 MUSASHI word mark and the MUSASHI device mark.
2. Mr Christian submitted that there was no evidence before the Court to show that it was likely that a person would be deceived or confused. The submission was not developed in writing in the appeal but was the subject of written submissions below. In those submissions Mr Christian identified “important matters to consider when assessing if consumers could potentially confuse [the MUSASHI marks] with his marks”. Those matters were the differences in market, distribution channels and pricing models to which we have already referred. Later in his submissions, Mr Christian also referred to:

* the evidence that Mr Christian created the A‑SASHI Vitamins brand and logo by “readapting & combining elements from the Japanese Asahi beer brand, the Japanese Sakata snack brand and the Australian Mattel toy brand” and had no intention of creating a mark similar to the MUSASHI mark; and
* visual and aural differences between the marks.

1. We have already dealt with the first point. On the question of difference, Mr Christian said that aurally the two word marks were “nothing alike”. The emphasis, he submitted, in each case was on the first syllable. One problem with this submission is that during oral argument before us he put the emphasis in each case on the second syllable. In any case, there is no reason to think that many consumers would not do the same. As Bennett J explained in *Torpedoes Sportswear Pty Ltd v Thorpedo Enterprises Pty Ltd* (2003) 132 FCR 326 at [78]:

When the sounds of two words are being compared, it is generally a matter of first impression … It is not a question of meticulous comparison and allowance must be made for imperfect recollection and bad or careless pronunciation.

1. Furthermore, as the primary judge observed (at [90]), “SASHI” is a distinctive feature of both names, aurally as well as visually.
2. Mr Christian also drew attention, however, to the visual differences between the two device marks, submitting that the MUSASHI device mark uses a full red circle device containing two letters “SA” with “MU” separating to the left and “SHI” separating to the right and a black rectangular solid graphic device whereas the “A‑SASHI device mark” (referring only to the second A‑SASHI logo) uses a red cropped circle device containing the entire A‑SASHI word.
3. In reaching the conclusion that the trade marks were deceptively similar, his Honour adopted an orthodox approach of considering the points of similarity and the points of distinction in both the word and the device marks and their impact on a consumer.
4. Dealing first with the word mark, his Honour noted that the names were similar in that they shared “a substantial and significant component” – SASHI – which was “aurally indistinct” (at [86]). Further, his Honour observed that in each case SASHI formed the second and third syllables of the names; the two syllables look the same and they are composed of the same letters.
5. Then his Honour proceeded to examine the differences between the two names. He noted the different letters, the different first syllables, and the differences in appearance and sound. He also noted the use of the hyphen in one but not the other. Against these differences, however, his Honour observed that the dominant sound was formed by the common syllables which appear and are uttered together.
6. Taking all these matters into consideration, his Honour concluded (at [90]) that there was a real tangible danger that a number of consumers, upon being exposed to the A‑SASHI word mark, would be confused about whether the A‑SASHI products have the same source as the MUSASHI products. He reasoned as follows:

That which is common to both names – “*SASHI*” – is a distinctive feature of both names; and the features that are not common to both names – the “*A-*” in “*A-SASHI*” and the “*MU*” in “*MUSASHI*” – are relatively minor features, whether considered aurally or visually. That means there is a real, tangible danger that a number of consumers, when exposed to the A-SASHI word mark in the context in which it is currently used, will direct their attention to the distinctive aspect of the A-SASHI mark, “*SASHI*”; that would cause them to recall the distinctive aspect of the MUSASHI word mark, also “*SASHI*”; they are unlikely to have their attention specifically drawn to the subsidiary feature of “*A-SASHI*”, namely the “*A-*” or, if their attention were to be drawn to that feature, they are unlikely to have any memory or any sufficient memory of the MUSASHI mark as would enable them with confidence to remember the different first syllable of MUSASHI, namely “*MU*”. It is likely, therefore, that a number of consumers would either be left with the impression that the A-SASHI word mark is the same as their memory of the MUSASHI marks or, to the extent they may notice the “*A-*” in A-SASHI, they would be uncertain whether their memory of “*MUSASHI*” also contained the “*A-*” in “*A-SASHI*”. The end result would be that a number of consumers would either be deceived or confused about whether the marketing and sale of goods in relation to which the A-SASHI marks are used have the same source as goods in relation to which the MUSASHI marks is used.

1. In relation to the device marks, his Honour noted the common use of the names and the logo and the dominant feature of the name in the logos used by the respective businesses. On the other hand, his Honour also noted substantial differences in the shapes of the respective logos, the additional feature of the circle inside the rectangle in the MUSASHI device mark, the use of three colours in the MUSASHI device mark as opposed to two in the A‑SASHI logos and the Roman font in the MUSASHI device mark in contrast to the italics used in the second A‑SASHI logo. Despite these differences, his Honour concluded (at [92]) that the marks were deceptively similar because there was a real and tangible danger that a number of consumers, when exposed to the A‑SASHI logos, would direct their attention to the SASHI component in the name.
2. The appeal is in the nature of a rehearing. A rehearing is not a new hearing, that is to say it is not “a second go” at the trial. Error must be shown. See *Branir Pty Ltd v Owston Nominees (No 2) Pty Ltd* (2001) 117 FCR 424 (***Branir***) at [22] (Allsop J, Drummond and Mansfield JJ agreeing). What will constitute error in any given case will depend, not only on the evidence, but also on the nature of the findings or conclusions of the primary judge: *Branir* at [24]‑[25]. Even where no question of credibility arises, the trial judge has advantages not enjoyed by an appeal bench. Moreover, as Allsop J went on to point out in *Branir* at [25]:

[T]he nature of the issue [may be] one such that (though not a discretion) there cannot be said to be truly one correct answer. In such cases the availability of a different view, indeed even perhaps the preference of the appeal court for a different view, may not be alone sufficient …

1. This is such a case. The determination of whether a sign used as a trade mark is deceptively similar to a registered trade mark involves an evaluative exercise upon which reasonable minds might differ. An appellate court can only intervene “if it is first shown that [the] assessment was affected by error of law or fact”: *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9 at [92]. Questions of judgment, nuance and degree are involved. Moreover, in a case of this kind, absent an error of principle, and unless the appeal court comes to an affirmative conclusion that the decision of the primary judge is wrong, weight should be given to the primary judge’s opinion: *S & I Publishing Pty Ltd v Australian Surf Life Saver Pty Ltd* (1998) 88 FCR 354 at 361.
2. Mr Christian claimed that the matters he raises on appeal had not been taken into account below. As we have demonstrated, that submission is without foundation. We are unable to discern any error in the primary judge’s approach. Nor are we satisfied that he was wrong. The conclusion on deceptive similarity was clearly open. Overall, this was a careful and well-reasoned judgment. It follows that ground 3 of the notice of appeal should be dismissed.

## Conclusion

1. Mr Christian has succeeded only in relation to the first issue. As the error has minimal effect, however, his success is a pyrrhic one. In all the circumstances and bearing in mind the numerous other issues, including the various interlocutory applications, upon which he was unsuccessful, Mr Christian should pay 85% of the costs of the Nestlé parties.

# THE CROSS-APPEAL

1. The cross-appeal is concerned with three matters:

* the refusal to make an order requiring the cancellation of the business name “A‑SASHI VITAMINS”;
* the refusal to make an order requiring the cancellation of the domain name and, instead, permitting Mr Christian to vary the registration of the domain name www.a‑sashi.com.au to the extent necessary to prevent its use from resolving to the website to which the domain name www.a‑sashi.com resolves; and
* the form of the injunction.

1. The primary judge’s decisions about these matters involved the exercise of a discretion. This means that it could only be set aside if there was an error of the kind described in *House v The King*. The Nestlé parties must demonstrate, then, that his Honour applied a wrong principle, took into account an extraneous consideration, failed to take into account a material consideration, or mistook the facts. Alternatively, the Nestlé parties must persuade the Court that, upon the facts, the decision is unreasonable or plainly unjust so as to enable the Court to infer that the discretion miscarried, even if the nature of the error is not apparent.
2. The Nestlé parties filed submissions in support of the cross-appeal upon which they expanded in oral argument. We refer to those submissions below. Mr Christian purported to respond by filing submissions of his own. But Mr Christian chose not to address any of the Nestlé parties’ arguments in those submissions. Nor did he do so at the hearing when invited to do so. In the result, the resolution of these questions falls to be determined without any assistance Mr Christian might have offered.

## Did the primary judge err in failing to require the cancellation the registration of the A‑SASHI VITAMINS business name?

1. The order that Nestlé and Nestlé Australia asked the primary judge to make was that Mr Christian take all reasonable steps to cancel the Australian Business Name “A‑SASHI VITAMINS” (**ABN**).
2. The Nestlé parties contended that the reason the primary judge refused to make such an order was that “the continued registration of the business name “[A‑SASHI VITAMINS]” does not *by itself* constitute the use of the name A‑SASHI as a trade mark”, referring to [41] of his Honour’s reasons (with the emphasis added). They argued that as a matter of law it was not necessary to find that the continued registration of the ABN itself constitutes a completed act of infringement (and therefore must itself constitute use as a trade mark) in order for an order for cancellation of the ABN to be available “as an indicium” of injunctive relief. It was enough, they argued, that the relief sought was suitable to prevent and discourage further infringements. In substance, their contention was that the primary judge misdirected himself. His Honour should have asked himself whether continuing registration of the ABN equipped Mr Christian with a tool, or provided temptation for, committing further infringements. Had his Honour done so, he should have found that in all the circumstances the continued registration of the ABN “intrinsically would connote a connection in the course of trade between the registrant of the business name and vitamins” because:

(1) the name “A‑SASHI VITAMINS” has been used to sell and offer for sale goods that fell within the trade mark registrations;

(2) the ABN itself contains a reference to goods (vitamins) prefaced by reference to a badge of origin (A‑SASHI );

(3) the reference to “vitamins” in the ABN would be taken as a reference to the goods previously sold by the registrant of the ABN (Mr Christian), under the ABN; and

(4) in the light of the evidence no reasonable use of the business name is likely to have been a use that did not infringe the MUSASHI trade marks.

1. A good part of the Nestlé parties’ submissions was directed to persuading the Court that it had power to grant an order of this kind. Their argument, which we accept, is that, in an appropriate case, injunctive relief may extend beyond restraining acts that, by themselves, constitute acts of infringement to include relief directed at removing from a proved infringer the instrument or temptation to commit further acts of infringement.
2. An order of this kind was made by Emmett J in *H‑D Michigan, Inc v MC World Ltd* [2003] FCA 925. That was a case brought by the registered owners and authorised users of the Harley Davidson trade marks against an Australian company carrying on business in the Northern Territory (and its controller) under the name “Strictly Harley”, selling paraphernalia incorporating the Harley Davidson registered trade marks and displaying in the shop several of those trade marks.
3. Emmett J held that the conduct of the respondents infringed the applicant’s trade marks, contravened s 52 of the *Trade Practices Act* *1974* (Cth) (**TPA**) and s 42 of the *Consumer Affairs and Fair Trading Act 1990* (NT) because it was conduct in trade or commerce which was misleading and deceptive, and also involved passing off their products as products of the applicant. While not commenting on the source of the power, his Honour had no hesitation in making both a restraining order and an order that would see the registered business name removed. Those orders were in the following form:

2 the respondents by themselves, their servants, agents or otherwise within 7 days of the making of the order take all necessary steps to deregister the Northern Territory registered business name BN00910259 ‘Strictly Harley’, or to change that name to a name which does not incorporate any of the Registered Trade Marks listed or any mark which is substantially identical with or deceptively similar to any of the Registered Trade Marks;

3. the respondents and each of them by themselves, their servants, agents or otherwise, be restrained from registering or using any business or corporate name which incorporates any of the Registered Trade Marks or any mark which is substantially identical with or deceptively similar to any of the Registered Trade Marks, including the name Strictly Harley;

1. In *British Telecommunications Plc v One in a Million Ltd* (1998) 42 IPR 289 at 302, Aldous LJ, with whom the other members of the court agreed, held that there was jurisdiction in passing off cases, at least, to grant injunctive relief where a defendant is “equipped with or is intending to equip another with an instrument of fraud”. His Lordship described an injunction of this nature as “probably mere quia timet action”, that is to say, an action to restrain a threatened or apprehended wrong.
2. Whether a name is an instrument of fraud, his Lordship explained, will depend on the circumstances. He went on to say that “[a] name which will, by reason of its similarity to the name of another, inherently lead to passing off is such an instrument”. If not, however, he was quick to add, it does not follow that the use of the name would not be an instrument of fraud. That will depend on the similarity of the names, the intention of the defendant, the type of trade and all the surrounding circumstances.
3. As the Nestlé parties submitted, there is no reason in principle to confine such a remedy to passing off cases. The order they propose is in the nature of a mandatory injunction. As such, it falls squarely within the terms of s 126 of the Act, which gives a court the power to grant an injunction in an action for infringement of a registered trade mark. Nothing in the text or context would suggest that the section should be read so narrowly as to exclude relief of this kind.
4. In any event, the Court has the power to order that the registration of a business name be cancelled. Section 51 of the *Business Names Registration Act 2011* (Cth), to which the primary judge does not appear to have been taken (and to which we were not referred in argument), relevantly states:

(1) To avoid doubt, the relief that a court may grant in an action for an infringement of a registered trade mark includes an order that the registration of a business name to an entity must be cancelled.

(2) …

(3) Nothing in this section limits any orders that a court may make (in an action for an infringement of trade mark or otherwise) in relation to the registration of a business name, or ASIC’s obligations under such orders.

1. “Entity” is defined in s 5 of the Act very broadly and includes an individual. Section 51(2) imposes an obligation on ASIC to cancel the registration of the business name of an entity if a copy of the Court’s order is lodged with ASIC and ASIC is satisfied, within a reasonable period thereafter, that the order has not been overturned on appeal, there is no stay or pending application for a stay of the order, and no pending appeal.
2. The primary judge did not address the question of power. His Honour apparently accepted that he had the power. The issue here is the decision not to exercise it.
3. We do not accept the Nestlé parties’ submission that the primary judge misdirected himself. The submission takes the primary judge’s remarks out of context. To understand the context it is necessary to read [41] of his Honour’s reasons with [42]:

41 In my opinion, the continued registration of the business name “*A‑SASHI VTAMINS*” does not of itself constitute the use of the name “A‑SASHI” as a trade mark. For that reason, I do not propose to grant an order requiring Mr Christian to cancel the business name.

42 The applicants further submit that an order should be made compelling Mr Christian to cancel the business name “*A‑SASHI VITAMINS*” as an aid to injunctive relief. They submit that not to grant such an order would equip Mr Christian with an instrument of fraud, and create a temptation to breach the injunction I have granted against infringement. I disagree. There is already in place an injunction that prevents Mr Christian from using the “A‑SASHI” name and logos in connection with the supply of supplements and therapeutic products. That injunction should remove any incentive Mr Christian may otherwise have to use the “A‑SASHI” name in Australia in connection with any classes of goods for which the MUSASHI mark is registered.

1. When the primary judge’s reasons are read as a whole, it is clear that he did not misdirect himself as alleged. The question of whether the continued registration of the business name constituted the use of the A‑SASHI name as a trade mark was undoubtedly relevant, although it was not the end of the inquiry. At [42] his Honour expressly considered whether the registration should be cancelled to prevent and discourage further infringements. He concluded, in effect, that the order was unnecessary in view of the injunction he had granted earlier which prevents Mr Christian from using the A‑SASHI name and logos in connection with the supply of supplements and therapeutic products.
2. Nevertheless, we consider that the primary judge did fall into error.
3. First, the Nestlé parties sought the order to remove a source of temptation to breach the injunction. It is, with respect, illogical to conclude that the presence of the injunction removes the temptation to breach it. Yet, this is the effect of his Honour’s conclusion in [42].
4. The primary judge’s refusal to make the order is also at odds with his decision to order delivery up of the A‑SASHI goods, which operates in aid of the injunction: see Heydon JD, Leeming MJ, Turner JD, *Meagher, Gummow and Lehane’s Equity Doctrines & Remedies* (5th ed, LexisNexis Butterworths Australia, 2015) at [28-045]. If the presence of the injunction was sufficient incentive not to continue to infringe, why make the delivery-up order?
5. Secondly, in considering whether the continued registration of the business name constitutes a use of the name as a trade mark, the Nestlé parties submitted that his Honour did not apply the correct test: whether continued registration of the business name continues to connote a connection in the course of trade between the person using the sign (Mr Christian) and goods falling within the scope of the MUSASHI registration.
6. This submission appears to be founded on the basis that, to come to the conclusion that the continued registration of the business name “A‑SASHI VITAMINS” does not by itself constitute a use of the name “A‑SASHI” as a trade mark, his Honour could not have asked himself the right question. It will be recalled that to use a sign (which may simply be a name) to indicate a connection in the course of trade between goods or services and the person who applies the sign to those services is to use the sign as a trade mark: see [10] above.
7. We accept the Nestlé parties’ submission in this regard. It is true that mere registration of a business name does not necessarily denote use as a trade mark. The name must be used in the course of trade and in relation to goods or services. Here, however, the name “A‑SASHI” was used in the course of trade to sell vitamins.
8. Thirdly, the Nestlé parties also submitted that his Honour failed to consider how the business name could be used otherwise than in an infringing way. His Honour did refer to this submission (at [34]) but did not address it.
9. We are therefore satisfied that the primary judge erred in the exercise of his discretion on this question and it now falls to us to exercise the discretion for ourselves.
10. The objects of the Business Names Registration Act include:
11. providing a means of contacting an entity which carries on business under a business name: s 16(1)(a);
12. avoiding confusion by ensuring that business names that are identical or nearly identical are not registered: s 16(3)(a); and
13. ensuring that business names that should be restricted for any other reason (for example, because they might mislead consumers) are not registered: s 16(3)(c).
14. The effect of the primary judge’s finding that the A‑SASHI name is deceptively similar to MUSASHI, not only aurally, but also visually, is that leaving the ABN on the Business Names Register could mislead consumers. In combination, his Honour’s orders bring an end to the Australian operation of the A‑SASHI Vitamins business. If the applicant wishes to continue selling vitamins in this country, he will need to do so under a different sign. To that end he will need a new logo and a new business name. As Nestlé parties submitted it is difficult to conceive of a legitimate use of the deceptively similar name “A‑SASHI” in relation to vitamins.
15. In all the circumstances, then, there is no useful purpose in retaining the ABN on the Register and its continued registration can only serve as a temptation to Mr Christian to continue to infringe. Having made an order for the delivery up of the goods, the primary judge should have made an order for the cancellation of the registration of the business name. While it was open to him to make the order the Nestlé parties proposed, it would have been preferable to order that the registration of the business name be cancelled. An order in these terms or to this effect would have obviated the need for Mr Christian to do anything.
16. It follows that we will make an order that the registration of the business name “A‑SASHI VITAMINS” be cancelled. We will also direct the Nestlé parties to lodge a copy of the Court’s order with ASIC.

## Did the primary judge err in failing to order the cancellation of the registration of the www.a‑sashi.com.au domain name?

1. This issue is a challenge to the order made on 17 October 2014 (order 4) that:

By 31 October 2014, [Mr Christian] take all necessary and reasonable steps either to:

(a) cancel the registration of the domain name www.a-sashi.com.au; or

(b) vary the registration of the domain name www.a-sashi.com.au to the extent necessary to prevent its use from resolving to the website to which the domain name www.a-sashi.com resolves.

1. This order is complemented by the fourth order made on 9 December 2014 that:

[Mr Christian] by himself, or by his employees or agents, is restrained from operating or using the website to which the domain name www.a-sashi.com resolves (**Website**) to promote, supply, sell, or otherwise deal with supplements and therapeutic products under or by reference to the A-SASHI Word Mark or the First A-SASHI Device Mark or the Second A-SASHI Device Mark (as these terms are defined in the orders made on 3 September 2014) (**A-SASHI marks**) unless:

(a) the Website is set to block the sale or supply into Australia of goods or services in relation to which any one of the A-SASHI marks is used; and

(b) the Website is set to cause the checkout page on the Website to state that goods in relation to which any one of the A-SASHI marks is used are shipped only within the United States of America or some other place other than Australia; and

(c) the Website contains no reference to Australia including any address in Australia.

1. The overall effect of these orders is that Mr Christian may maintain:

* the registration for the domain name www.a-sashi.com.au (**the .au domain name**) provided that it does not resolve to the A‑SASHI website to which the www.a‑sashi.com website resolves (**the .com domain name**); and
* the .com domain name and the A‑SASHI website, provided that the website is set to block the sale or supply into Australia of goods or services to which any of the A‑SASHI marks is used, consumers are informed on the checkout page that the goods will not be shipped to Australia, and the website contains no reference of any kind to Australia.

1. The Nestlé parties’ complaint relates to the inclusion in the 17 October order of the option of varying the registration of the .au domain name instead of requiring cancellation of the registration.
2. The primary judge’s reasons are to be found in *Nestlé No 6* at [24]–[33], principally at [28]‑[33] where his Honour said:

28. The ability to register a domain name with a registry operator or sponsor that is uniquely associated with a computer provides an obvious opportunity to a business that wishes to promote or sell its goods or services over the Internet to choose a domain name that distinguishes its goods or services from those of other businesses. And it is this potential that gives rise to the possibility of a person infringing a registered trademark by registering a domain name. For that person may choose as a domain name a name that is substantially identical with, or deceptively similar to, a registered trademark.

29. A person’s registering as a domain name a name that is substantially identical with, or deceptively similar to, a registered trade mark, will not constitute an infringement of that trade mark unless the person uses the domain name as a sign to distinguish that person’s goods or services from those of another trader. A person will use a domain name for that purpose if the domain name is used as a sign of that person’s online sales service. In “*the context of online services, the public is likely to understand a domain name consisting of the trade mark (or something very like it) as a sign for the online services identified by the trade mark as available at the webpage to which it carries the internet user*”.

30. The findings at paragraphs 23 and 24 of my substantive reasons [*Nestlé No 2*] satisfy me that Mr Christian did intend to, and did use the domain name www.a-sashi.com.au as a sign of his online sales service. But is that, now, a sufficient ground for ordering that Mr Christian cancel the registration of the domain name, given that, as I understand it, Mr Christian has complied with order 3 and has removed from his website all reference to “A-SASHI”?

31. If order 3 were to remain as I had originally framed it, the domain name www.a-sashi.com.au could not be used “*as a sign for the online services identified by*” the A-SASHI name. That is so because order 3 required Mr Christian to remove from the website to which the domain name www.a-sashi.com.au resolved (**A-SASHI website**) all references to A-SASHI and, by necessary implication, would prevent him from reinstating on the website any reference to the A-SASHI name or logo. Because, however, the proposed amendment to order 3 will enable Mr Christian to use the A-SASHI name and logo in relation to persons outside Australia who visit the website, and if Mr Christian uses the A-SASHI name and logo on the website, **the continued availability of the domain name www.a-sashi.com.au as currently registered would constitute the use in Australia of the name “*A-SASHI*”**.

32. The next question is whether, in order to prevent the use of the domain name www.a-sashi.com.au to resolve to the A-SASHI website, it is necessary to require Mr Christian to cancel the registration of the domain name www.a-sashi.com.au. In my opinion, it is not. Although no evidence has been led on the matter, **I assume that it would be open to Mr Christian to associate the domain name www.a-sashi.com.au to a website that is different from the A-SASHI website. If that is the case, it should remain open to Mr Christian to keep that domain name.**

33. Accordingly, I propose to frame an order which requires Mr Christian either to cancel the domain name www.a-sashi.com.au or to vary the registration in a way that its use cannot resolve to the A-SASHI website.

(Emphasis added, footnotes omitted.)

1. We presume that the word “not” is missing from the penultimate line of [31].
2. The Nestlé parties submitted that in failing to order the cancellation of the .au domain name the primary judge made a number of errors.
3. First, they argued, his Honour erroneously regarded it to be a precondition to making such an order that continuing registration of the .au domain name would, itself, constitute trade mark infringement.
4. In this instance, the complaint is well-founded. His Honour did not consider whether the .au domain name should be cancelled as an aid to the injunction in order to remove an instrument which could be used to infringe.
5. Once again, the Nestlé parties submitted that, subject to the Court being satisfied that the .au domain name represents an instrument of, or temptation to, infringement in relation to goods in respect of which the MUSASHI marks are registered, there is no reason why a different approach should be taken here than in the areas of misleading or deceptive conduct and passing off. They pointed, amongst other things, to the relief granted in *Kailash Center for Personal Development Inc v Yoga Magik Pty Limited* [2003] FCA 536 (***Kailash***).
6. *Kailash* was a case of misleading or deceptive conduct in contravention of s 52 of the TPA and s 42 of the *Fair Trading Act 1987* (NSW). Representations were found to have been made on the Yoga Magik website about the relationship between Yoga Magik and a yoga guru, Dr Jonn Mumford, who had authorised Kailish, but not Yoga Magik, to teach his ideas. The Court was satisfied that the representations were misleading or deceptive.
7. Amongst the orders sought in that case were orders that the respondents take all necessary steps to cancel the domain name “www.jonnmumford.com” and a sub-domain name containing the words “jonnmumford” and “mumford” and not re-register any such name. Orders were made to that effect, along with a number of other orders, including the publication of a corrective notice disassociating the respondents from Dr Mumford and a restraining order preventing the respondents from representing that they had the authority or permission or had been empowered by Dr Mumford to teach various courses of the kind referred to on the Yoga Magik website in 2002. Allsop J (as his Honour then was) explained the orders in the following way at [112]. The respondents in the present case emphasised the passages highlighted below in bold:

The above is commensurate with, and conducive to remedying the misleading character of what has occurred. Orders 5 and 6 [the orders relating to the domain name and the sub-domain name] are legitimately founded in the fact that Mumford’s name and reputation have been appropriated by the respondents in the manner that I have described. For a time (prior to mid 2001) they were entitled to do so. Since then they were and are not. **No legitimate purpose can be served by their retention of the names. In circumstances where there has been a misleading of the public it is appropriate to ensure that this misleading not continue by allowing the respondents to retain what now could only be, if used, instruments of deception, the retention or use of which would involve a representation of entitlement and affiliation which would be false:** see generally Wadlow *The Law of Passing Off* (2nd Ed) pp 233 ff; *CSR Limited v Resource Capital Australia Pty Ltd* [2003] FCA 279 at [38] ff; *Glaxo Plc v Glaxowellcome Ltd* [1996] FSR 388; *Direct Line Group Ltd v Direct Line Estate Agency* [1997] FSR 374; and *Marks and Spencer v One in a Million* (1999) 42 IPR 309. **Further, the use of these domain names is not in the realm of hypothesis** … **Thus, it is within the legitimate scope of s 87 of the [TPA] and s 79 of the [Fair Trading Act] to prevent these sites remaining in the respondents’ hands as instruments of deception.**

1. Section 87 of the TPA gave the Court much wider powers than those listed in s 126 of the Trade Marks Act. Section 87 of the TPA included, for example, the power to make such order or orders as the Court thinks appropriate against the person who engaged in the conduct or who was involved in the contravention if the Court considers that the order or orders concerned will prevent or reduce the loss or damage suffered or likely to be suffered by the applicant: TPA s 87(1A)(d). A similar power appeared at the time of the judgment in *Kailash* in s 72(1) of the Fair Trading Act. The reference in the passage cited above to s 79 appears to be a mistake.
2. A power of this kind is not expressly included in the Trade Marks Act. Yet, like the order the Nestlé parties proposed with respect to the business name, it may be characterised either as a *quia timet* injunction or an aid to the principal injunction. Either way, we are satisfied that it was within the powers of the Federal Circuit Court and is within the powers of this Court to grant it.
3. Moreover, in our opinion it is a power which ought to have been exercised. The primary judge held at [30] of his reasons in *Nestl*é *No 6* that Mr Christian intended to, and did use, the .au domain name “as a sign of his online sales service”. Like the word mark and the logos, the domain name includes the A‑SASHI name, which the primary judge held by reason of the visual as well as aural similarities, infringed the Trade Marks Act. Mr Christian previously sold infringing goods to Australian customers using the .au domain name. The website to which the .au domain name resolved displayed the infringing logos and word mark. These circumstances are sufficient to demonstrate that the continuing registration of that domain name provides Mr Christian with an instrument to continue to infringe the registered trade marks in Australia.
4. We also accept the submission by the Nestlé parties that his Honour appears to have approached this question on the basis that an order requiring the disassociation of the .au domain name from the A‑SASHI website was as effective as an order cancelling the registration of the .au domain name. If so, we would respectfully disagree with his Honour. As the Nestlé parties argued:

[T]he entire rationale of ancillary relief is to provide greater certainty of compliance with the ongoing primary injunctive relief by putting it outside the power of the infringer to breach the injunction, so far as it is reasonable to do so.

1. In our view, too, the option in order 4(b) of the 17 October orders is unsatisfactory. It would create practical difficulties for the trade mark owner in policing compliance.
2. The order that the Nestlé parties sought on the cross-appeal was an order varying the order made below so as to delete from order 4 the words “either” and “or” and paragraph (b). The Court has very broad powers on appeal, including the power to make such order as, in all the circumstances, it thinks fit: *Federal Court of Australia Act 1976* (Cth), s 28(1)(b). The preferable course is to set aside order 4 in its entirety and make the order that we consider the primary judge should have made.

## Was the form of the injunction too narrow?

1. At the trial Nestlé and Nestlé Australia argued for what the primary judge described as “general injunction”, which his Honour refused. His reasons for doing so appear at [43]–[44] of *Nestlé No 6*:

43. The applicants also seek an injunction restraining Mr Christian from using the MUSASHI Registered Marks or any mark or sign that is substantially identical to or deceptively similar to the MUSASHI Registered Marks. The applicants submit that I should grant such an injunction because there is some basis for thinking that sometime in the future Mr Christian will use a mark that is identical or deceptively similar to the MUSASHI Registered Marks.

44. In my opinion, there is no basis in the evidence before me that would lead me to think Mr Christian will use such a mark. The only name and mark Mr Christian used is the A-SASHI name and mark; and I made no finding to the effect that Mr Christian intentionally fashioned the A-SASHI name and logos for them to be deceptively similar to the MUSASHI name and logo. Accordingly, I do not propose to grant the “*general injunction*” sought by the claimants.

1. These reasons disclosed a number of errors.
2. First, his Honour misstated the submission made by Nestlé and Nestlé Australia. In the result, he applied the wrong test. The question was not whether there is a basis for thinking that Mr Christian *will* use a mark that is identical or deceptively similar to the MUSASHI registered marks. The correct question, as the Nestlé parties put it in their written submissions, was whether there is a basis for thinking that he *may* do so(*Solahart Industries Pty Ltd v Solar Shop Pty Ltd (No 2)* [2011] FCA 780; 282 ALR 43; 92 IPR 197 (Perram J) at [7]). The primary judge failed to ask himself this question. The concern here is with risk. As Finklestein J explained in *Louis Vuitton Malletier SA v Knierum* [2004] FCA 1584 at [15]:

The basis for the grant of an injunction in an intellectual property case is in every respect the same as in any other case. The plaintiff must show that there is a risk that the defendant will engage in infringing conduct in the future.

1. Another way of putting the question is to ask whether there is “a reasonable apprehension” of a future infringement (*Microsoft Corporation v Plato Technology Limited* [1999] FSR 834, cited with apparent approval by Branson J in *Microsoft Corporation v Blanch* [2002] FCA 895; AIPC ¶91-813 at [39] and followed by Stone J in *Microsoft Corporation v Ezy Lyons Pty Ltd* [2004] FCA 1135 at [84]–[87]).
2. For this reason alone the discretion miscarried.
3. The Nestlé parties also submitted that the primary judge failed to consider the need for finality in litigation. They contended that the outcome of a lengthy contested court proceeding could be thwarted by what they called “an immaterial variation in the trade mark” militates strongly in favour of an injunction in wider terms than the injunction the primary judge ordered. They referred to several cases in which such a broader order had been made.
4. To the extent that this submission relies on the principle of finality of litigation, it is misguided. The principle of finality of litigation “reinforces the respect that should be shown to orders, final on their face, addressed to the world at large and upon which conduct may be ordered reliant upon their binding authority”: *De L v Director-General, New South Wales Department of Community Services (No 2)* (1997) 190 CLR 207 at 215 (Toohey, Gaudron, McHugh, Gummow and Kirby JJ). This is not the point the Nestlé parties make. In any event, assuming the primary judge did err in this respect, it is debatable whether this is a *House v The King* error. In view of our conclusion in [176], however, it is unnecessary to come down on either side of the debate. One error in the exercise of the discretion is sufficient to vitiate the order. It is now necessary for this Court to determine whether the form of order the primary judge made was too narrow and the order the Nestlé parties sought should be made. The order the Nestlé parties sought (**the proposed order**) is in the following terms:

[Mr Christian] be restrained from using in Australia any mark or sign which is substantially identical with or deceptively similar to the MUSASHI Registered Marks.

1. In the draft amended notice of cross-appeal handed up in court at the hearing, the Nestlé parties sought in the alternative an order that Mr Christian be restrained from using in Australia any mark or sign substantially identical to the A‑SASHI marks (**the alternative order**). No objection was taken to the proposed amendment but no formal order was made granting leave to the Nestlé parties to file an amended notice of cross-appeal. In the absence of any objection, there is no reason why leave should not be granted and we will make an order to this effect.
2. The fact that Mr Christian has infringed in the past does not necessarily mean that he will do so in future. But, absent any indication to the contrary, it may provide a basis from which a court can infer that there is a risk of future infringement. Throughout the proceeding in this Court and in the court below, Mr Christian maintained that he was in the right to use the A‑SASHI name and logos and, notwithstanding his failure to make any submissions on the merits of the cross-claim, it is abundantly clear that he wishes to continue to use the A‑SASHI marks to the fullest extent possible. Moreover, he was belligerent, even defiant, in his attitude throughout the appeal, and he was disrespectful of both his opponents and the Court. The Nestlé parties also point to his conduct in frustrating their attempts to serve him with process, which persuaded the primary judge to order substituted service: So*ciété des Produits Nestlé SA v Christian* [2014] FCCA 367. For these reasons, we are satisfied that there is a risk that Mr Christian could again infringe.
3. Nevertheless, we are of the view that the proposed order, which merely repeats the prohibition in the Act, is not appropriate.
4. The Act already prohibits the use of a mark that is substantially identical, or deceptively similar, to a registered trade mark. Litigation ensues because parties do not agree on whether those conditions are met. To that extent, an injunction in the form requested by the Nestlé parties is uncertain and susceptible to subjective determination as to whether the order is complied with. For this reason we are not persuaded that making an order in these terms would ensure finality of litigation. Furthermore, it would add nothing to the existing legal position but would expose Mr Christian to the risk of being in contempt of court. While an injunction in the form of the proposed order can be made, the “practice of granting injunctions in a form which reproduces, with the risk of sanctions for contempt, that which an Act forbids is to be discouraged”: *Universal Music Australia Pty Ltd v Sharman Networks Ltd* (2006) 150 FCR 110 at [40]–[42] (Branson J, Lindgren and Finkelstein JJ agreeing at [53] and [57] respectively). If Mr Christian were again to use a mark that was substantially identical or deceptively similar to the MUSASHI registered marks in contravention of the Act, it would of course be open to the Nestlé parties to seek appropriate orders under s 126 of the Act and, in particular, s 126(2), and indemnity costs of any such proceedings.
5. We take a different view, however, of the alternative order sought. For the reasons given above at [180] we accept that the alternative order is appropriate. It does not import the level of uncertainty or subjectivity inherent in an order directed to deceptive similarity. It is directed to Mr Christian’s marks and would extend to immaterial variations to those marks.

## Conclusion

1. It follows that the cross-appeal should be allowed with costs. Orders will be made reflecting these reasons.

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| I certify that the preceding one hundred and eighty-four (184) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justices Bennett, Katzmann and Davies. |

Associate:

Dated: 4 November 2015