Federal Court of Australia

Australian Mud Company Pty Ltd v Boart Longyear Australia Pty Ltd [2022] FCA 1224

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| File number(s): | NSD 1266 of 2021 |
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| Judgment of: | **ROFE J** |
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| Date of judgment: | 13 October 2022 |
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| Catchwords: | **PRACTICE AND PROCEDURE** – interlocutory application for joinder of related party – held: application for joinder of third respondent granted  **PRACTICE AND PROCEDURE** – pleadings –application seeking leave to amend the amended originating application and amended statement of claim pursuant to r 16.53 of the *Federal Court Rules 2011* (Cth) – held: amendments allowed  **PRACTICE AND PROCEDURE** – application to serve the third respondent in the United States of America pursuant to rr 10.43 and 10.44 of the *Federal Court Rules 2011* (Cth) – whether leave should be granted – held: leave to serve out of jurisdiction granted |
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| Legislation: | *Federal Court of Australia Act 1976* (Cth)  *Patents Act 1990* (Cth)  *Federal Court Rules 2011* (Cth) |
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| Cases cited: | *Australian Competition and Consumer Commission v Yellow Page Marketing BV* [2010] FCA 1218  *Australian Mud Company Pty Ltd v Globaltech Corporation Pty* *Ltd (No 3)* [2022] FCA 596  *Australian Mud Company Pty Ltd v Globaltech Corporation Pty Ltd* [2018] FCA 1839  *Crocker v Toys ‘R’ Us (Australia) Pty Ltd* [2015] FCA 588  *Fewin Pt Ltd v Burke* [2016] FCA 503  *General Steel Industries Inc v Commissioner for Railways (NSW)* (1964) 112 CLR 125  *Globaltech Corporation Pty Ltd & Anor v Australian Mud Company Pty Ltd & Anor* [2020] HCATrans 45  *Globaltech Corporation Pty Ltd v Australian Mud Company Pty Ltd* [2019] FCAFC 162  *Hamilton v Meta Platforms, Inc (Service out of Jurisdiction)* [2022] FCA 681  *Kabbabe v Google LLC* [2020] FCA 126  *Lynch v Cash Converters Personal Finance Pty Ltd* [2016] FCA 1536 |
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| Division: |  |
|  |  |
| Registry: | New South Wales |
|  |  |
| National Practice Area: | Intellectual Property |
|  |  |
| Sub-area: | Patents and associated Statutes |
|  |  |
| Number of paragraphs: | 73 |
|  |  |
| Date of hearing: | 13 September 2022 |
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| Counsel for the Applicants: | Phoebe Arcus |
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| Solicitor for the Applicants: | Gilbert + Tobin |
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| Counsel for the Respondents: | Andrew Fox SC |
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| Solicitor for the Respondents: | Bird & Bird |

ORDERS

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|  | | NSD 1266 of 2021 |
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| BETWEEN: | AUSTRALIAN MUD COMPANY PTY LTD ACN 009 283 416  First Applicant  REFLEX INSTRUMENTS ASIA PACIFIC PTY LTD ACN 124 204 191  Second Applicant | |
| AND: | BOART LONGYEAR AUSTRALIA PTY LTD ACN 000 401 025  First Respondent  BOART LONGYEAR LIMITED ACN 123 052 728  Second Respondent | |

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| order made by: | ROFE J |
| DATE OF ORDER: | 13 October 2022 |

THE COURT ORDERS THAT:

1. Pursuant to r 1.32 of the *Federal Court Rules 2011* (Cth) the name of the Second Respondent be amended to Boart Longyear Pty Limited (ACN 123 052 728).
2. Boart Longyear Company be joined as Third Respondent to this proceeding.
3. Pursuant to r 16.52 of the *Federal Court Rules 2011* (Cth) the Applicants be granted leave to amend the Statement of Claim dated 3 December 2021 in the form of Annexure CEW-10 to the Affidavit of Christopher Edmund Duvall Williams sworn on 7 September 2022 and the Originating Application dated 3 December 2021 in the form of CEW-11 to the Affidavit of Christopher Edmund Duvall Williams sworn on 7 September 2022.
4. The Applicants pay the Respondents’ costs thrown away consequent upon the amendments allowed by Order 3.
5. Pursuant to rr 10.42, 10.43(2) and 10.44(1) of the *Federal Court Rules 2011* (Cth), the Applicants be granted leave to serve the Documents on the Third Respondent in the United States of America in accordance with Article 5 of the *Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters* opened for signature 15 November 1965, 658 UNTS 163 (entered into force 10 February 1969) by sending them by registered post to the Third Respondent’s registered address at 2455 South 2600 West, Salt Lake City, UT 8411.
6. The Applicants file and serve the Amended Statement of Claim within 2 days of these orders.
7. The First and Second Respondents file and serve a Further Amended Defence within 28 days of service of the Amended Statement of Claim.
8. The Third Respondent file and serve a Defence within 28 days of service of the Amended Statement of Claim.
9. The Applicants file any reply within 14 days of service of the First and Second Respondents’ Further Amended Defence and the Third Respondent’s Defence.
10. The matter be re-listed for a case management hearing on Wednesday, 8 February 2022 at 9.30am.
11. Costs be reserved.

In these orders, **Documents** means:

* 1. The Amended Originating Application filed in accordance with paragraph 3 of these orders;
  2. The Amended Statement of Claim filed in accordance with paragraph 3 of these orders;
  3. The Interlocutory Application dated 18 August 2022;
  4. The Amended Interlocutory Application dated 7 September 2022;
  5. The Affidavits of Christopher Edmund Duvall Williams sworn on 18 August 2022 and 7 September 2022; and
  6. These orders granting the joinder application and application for leave to amend the Originating Application and Statement of Claim.

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

REASONS FOR JUDGMENT

ROFE J:

# Introduction

1. By an amended interlocutory application dated 7 September 2022, Australian Mud Company Pty Ltd and Reflex Instruments Asia Pacific Pty Ltd (together **AMC**) seek orders, amongst others:
   1. joining Boart Longyear Company (**BLC**) as a third respondent to the proceedings;
   2. granting leave to amend the statement of claim and originating application; and
   3. for the service of the amended statement of claim (**ASOC**) and amended originating application (**AOA**) on BLC outside the jurisdiction pursuant to rr 10.43 and 10.44 of the *Federal Court* ***Rules*** *2011* (Cth).
2. In support of its application, AMC relies on two affidavits of Mr Christopher Williams, the partner at Gilbert + Tobin with responsibility for the conduct of the matter on behalf of AMC, dated 18 August 2022 and 7 September 2022.

# Background

1. This proceeding is one of the many proceedings relating to Australian Patent No. 2010200162 (the **Patent**). A summary of these various proceedings is set out at [13] to [19] of *Australian Mud Company Pty Ltd v Globaltech Corporation Pty Ltd (No 3)* [2022] FCA 1189.
2. A summary of the history of the two related Globaltech proceedings follows.

### 2016 Proceeding

1. On 7 July 2016, AMC commenced proceedings NSD 1089 of 2016 in the Federal Court against Globaltech Corporation Pty Ltd and Globaltech Pty Ltd (together, **Globaltech**) (the **2016** **Proceeding**). In the 2016 Proceeding, AMC alleged that Globaltech’s v3A, v3B and v5 Orifinder core sample orientation tools infringed certain claims of the Patent. Globaltech denied infringement and challenged the validity of the Patent.
2. On 26 November 2018, Besanko J handed down reasons in which he found that the claims of the Patent were valid and infringed by Globaltech: *Australian Mud Company Pty Ltd v Globaltech Corporation Pty Ltd* [2018] FCA 1839 (***Globaltech FI***).
3. On 14 December 2018, Besanko J made orders, including injunctions against the sale and promotion of core sample orientation tools developed and sold under the names “Orifinder v3A”, “Orifinder v3B”, “Orifinder v5” or “Trucore” (order 4(a)) (the **Infringing** **Tools**).
4. Globaltech appealed the judgment to the Full Court of the Federal Court. The appeal was dismissed on 13 September 2019: *Globaltech Corporation Pty Ltd v Australian Mud Company Pty Ltd* [2019] FCAFC 162.
5. Globaltech sought special leave to appeal the Full Court judgment to the High Court of Australia. On 20 March 2022, the High Court dismissed the special leave application: *Globaltech Corporation Pty Ltd & Anor v Australian Mud Company Pty Ltd & Anor* [2020] HCATrans 45.
6. Once the application for special leave was refused, AMC pursued its quantum claim.
7. On 23 April 2021, the parties exchanged a first round of evidence. On 13 May 2021, Globaltech filed a stay application, based in part on the filing on an invalidity cross-claim in relation to the Patent by Boart Longyear Australia Limited (**BLYA**) in NSD 1040 of 2019, which is described in further detail below.
8. On 17 May 2022, Besanko J dismissed the stay application: *Australian Mud Company Pty Ltd v Globaltech Corporation Pty* *Ltd (No 3)* [2022] FCA 596.
9. On 12 August 2022 Globaltech filed evidence in answer on damages. AMC had until 26 August 2022 to make its election between pursuing damages or an account of profits in accordance with order 7 of Besanko J dated 17 May 2022.

### 2019 Proceeding

1. On 27 November 2019, AMC commenced proceedings NSD 1040 of 2019 in the Federal Court against Globaltech, Boart Longyear Limited (**BLY**) and BLYA (the **2019** **Proceeding**). In the 2019 Proceeding, AMC alleges that the Orifinder v6 or “UPIX” Tool manufactured by Globaltech and supplied by BLY and BLYA infringes certain claims of the Patent. Globaltech, BLY and BLYA deny infringement and challenge the validity of the Patent.
2. The issues of liability and validity of the Patent in the 2019 Proceeding were heard by me over four days between 8 and 14 March 2022.
3. At the hearing of the 2019 Proceeding in March 2022, the respondents in that proceeding read and relied on affidavits of Mr Khaled Hejleh, Managing Director of Globaltech Corporation Pty Ltd and Globaltech Pty Ltd. In cross examination, Mr Hejleh gave evidence of an exclusive distribution and supply agreement for V5 TruCore Tools between Globaltech Corporation Pty Ltd and Boart Longyear.
4. Also at the hearing, BLY and BLYA read the affidavit of Ms Shannon Emrick sworn on 21 February 2022. Ms Emrick was at various times the General Counsel, Company Secretary and Director of BLYA, the then-Interim Global Chief Legal Officer at BLC and Director and Secretary of BLY. Ms Emrick was cross-examined.
5. I handed down my reasons in the 2019 Proceeding on 6 October 2022.

### Present proceeding

1. This proceeding was commenced on 6 December 2021. No evidence has been filed, there has been no discovery, and no date has been set for the hearing.
2. AMC seeks to add BLC as the third respondent to this proceeding in which it seeks relief for infringement of the Patent. In the proposed ASOC, AMC alleges that BLC has infringed claims 1 to 4, 7 to 10, 16, 17, 21 to 24, 27, 28, 33 to 40, 46 to 48, 54 and 65 of the Patent (the **Asserted Claims**) by directly engaging in acts of exploitation of the V5 TruCore Tools in Australia, and indirectly, by authorising, procuring, inducing or joining in a common design with BLY, BLYA and/or Globaltech Corporation Pty Ltd to engage in exploitation of the V5 TruCore Tools. In the proposed ASOC, AMC alleges that BLC has offered the Infringing Tools for supply, hire or other disposal via the Boart Longyear website (www.boartlongyear.com).

# Joinder

1. Rule 9.05(1) provides for when a party may apply to the court to seek another party be joined:

**9.05 Joinder of parties by Court order**

(1) A party may apply to the Court for an order that a person be joined as a party to the proceeding if the person:

(a) ought to have been joined as a party to the proceeding; or

(b) is a person:

(i) whose cooperation might be required to enforce a judgment; or

(ii) whose joinder is necessary to ensure that each issue in dispute in the proceeding is able to be heard and finally determined; or

(iii) who should be joined as a party in order to enable determination of a related dispute and, as a result, avoid multiplicity of proceedings.

1. AMC submits that BLC should be joined to the proceeding in order to ensure the real questions in controversy between the parties are decided, and to avoid a multiplicity of proceedings (r 9.05(1)(b)(iii)), and because BLC’s cooperation might be required to enforce a judgment (r 9.05(1)(b)(i)).
2. AMC submits that after the pleadings closed, it became evident to them that BLC ought to be joined to this proceeding by reason of admissions made by the respondents in the Amended Defence, and factual matters that entered the public domain in the course of the hearing in the 2019 Proceeding. In particular, AMC submits that it became clear from Ms Emrick’s oral evidence in the 2019 Proceeding that BLC was responsible for the operations of the Boart Longyear business in the United States and was also the controller of the Boart Longyear website. According to Mr Williams, the V5 TruCore Tools were promoted to Australian consumers on the Boart Longyear website which also provided instructions for their use between January 2016 to January 2019 (the **Relevant Period**).
3. AMC contends that Mr Williams gives evidence of factual matters relevant to the important issues of common design and authorisation and each of the respondents’ (and BLC’s) indirect infringement of the Patent. AMC submits that is likely that BLC approved purchasing decisions with respect to the V5 TruCore Tools, that BLC was involved in supply contracts or decisions with Globaltech, BLYA and/or BLY, and that BLC authorised BLY, BLYA and Globaltech’s infringement of the Patent.
4. AMC refers to Mr Williams’ evidence that:
5. BLC, BLY, BLYAand Globaltech are part of the same group of companies, with the ultimate parent company in the Relevant Period being BLY.
6. BLC, BLY and BLYA shared two directors, Mr Jeffrey Olsen and Mr Miguel Desdin.
7. BLC was involved in the decision for Boart Longyear to acquire shareholdings in Globaltech.
8. BLC, BLY and BLYA share common directors and other senior officers.
9. BLYA was (and is) a world-wide distributor of certain mining tools manufactured by Globaltech, including the V5 TruCore Tool, which was also branded as Orifinder v5 tool.
10. It is common ground that the V5 TruCore Tools are the same as the Orifinder v5 tools, which were held to infringe the Patent in NSD 1089 of 2016.
11. AMC contends that they should be permitted to advance a case consistent with Mr Williams’ evidence by amending their pleading in accordance with the ASOC annexed to Mr Williams’ second affidavit, and by joining BLC. Further, AMC should be permitted to rely on a more precise framing of its allegations of common design and authorisation as provided in the ASOC.
12. AMC submits that the dispute with BLC is “related” to the current proceeding because it arises out of the same course of conduct; it concerns infringement of the same claims of the Patent by related Boart Longyear entities and in relation to the supply and offer for supply of the same core orientation tool in the same time period. AMC submits that the joinder of BLC to this proceeding would be a better utilization of Court resources as it would enable the Court to avoid two trials and would also avoid the inconvenience of having to prove common aspects of claims in separate proceedings and potentially inconsistent findings of fact. AMC further submits that the addition of BLC is unlikely to add to the length of the trial because of the considerable overlap between the case on foot and the proposed amended case.
13. AMC also submits the joinder of BLC is necessary because BLC’s cooperation might be required to enforce the judgment and to obtain relief.
14. Mr Fox, senior counsel for the first and second respondents, did not appear for the proposed third respondent — BLC. The respondents made various complaints about the pleadings and the ability of AMC to make out the case against them. The respondents submitted that no prima facie case against BLC was demonstrated by the evidence relied upon by AMC.
15. The principal question is whether BLC should be joined. Disputes about the form of the pleadings and whether the particulars are adequately pleaded can be dealt with later.
16. Mr Fox, although expressly not acting for the proposed third respondent, foreshadowed a strike out application by BLC if joined, and that his clients would join in any such application.

### Consideration

1. The applicant for joinder pursuant to r 9.05(1)(b)(iii) must demonstrate that the joinder of the proposed respondent should occur in order to enable the determination of a related dispute and thus avoid a multiplicity of proceedings. This requires at least two factors to be considered: whether the other dispute is in fact related to the dispute in the existing proceedings and whether the other dispute exists in relation to which it may be appropriate to assess whether the other dispute is unarguable in the sense outlined in ***General Steel*** *Industries Inc v Commissioner for Railways (NSW)* (1964) 112 CLR 125; ***Crocker*** *v Toys ‘R’ Us (Australia) Pty Ltd* [2015] FCA 588 per Reeves J at [37] to [38]; *Fewin Pty Ltd v Burke* [2016] FCA 503 per Markovic J at [48(2)] and [56].
2. The overarching purpose of civil practice and procedure in this Court, expressed in s 37M of the *Federal Court of Australia Act 1976* (Cth) (***FCA Act***) of disposing of proceedings justly, quickly, inexpensively and as efficiently as possible is another relevant consideration in any joinder application: *Crocker* per Reeves J at [39]–[40].
3. The application to join BLC is made at a relatively early stage in the proceedings. No date has been set for the hearing. The circumstance of an imminent trial does not arise here.
4. The proposed claims against BLC arise out of substantially the same facts as the claims against the existing respondents; the offer to supply, hire or otherwise dispose of the V5 TruCore Tools to Australian customers, including via the Boart Longyear website during the Relevant Period.
5. I am not able to conclude on the material before me that AMC’s proposed claims against BLC are unarguable in the *General Steel* sense, and it seems to me that they are sufficiently arguable to warrant taking them to trial. In my view, the joinder of BLC is appropriate.
6. The joinder of BLC is necessary “in order to enable determination of a related dispute and, as a result, avoid multiplicity of proceedings”. The dispute with BLC is both “related to the proceeding” and is “sufficiently arguable”.
7. If BLC were not joined to these proceedings, AMC could issue separate proceedings in order to make the claims they now wish to make. This would increase costs and the risk of other unsatisfactory outcomes including the potential for two proceedings in respect of the same facts giving rise to the possibility of inconsistent findings. This is undesirable.

# Leave to amend

1. The power to grant leave to amend under r 16.53 is discretionary and must be exercised in accordance with the overarching purpose in s 37M of the *FCA Act*.
2. The applicable principles were conveniently summarised by Gleeson J in *Lynch v Cash Converters Personal Finance Pty Ltd* [2016] FCA 1536 at [54] and [55]:

54. The question of whether leave to amend should be granted is a matter for the Court’s discretion. The powers of the Court are broad and consideration of the question must be undertaken in accordance with the overarching purpose set out in s 37M(1) of the *Federal Court Act 1976* (Cth): *Tamaya Resources Limited (in liq) v Deloitte Touche Tohmatsu (A Firm), in the matter of Tamaya Resources Limited (in liq)* [2015] FCA 1098 (“Tamaya”) at [125].

55. The principles applicable to applications for leave to amend are well established and include the following:

(1) the starting point is “that all amendments should be made and allowed that are necessary to ensure the real questions in controversy between the parties are decided”: *Oswal v Apache Corporation (No 3)* [2014] FCA 835 at [5];

(2) an amendment will “ordinarily be allowed provided it can be done without harm to the other party which cannot be compensated by an award of costs or an adjournment”: *S.P.I. Spirits (Cyprus) Ltd v Diageo Australia Ltd (No. 4)* [2007] FCA 1035 (“*S.P.I. Spirits*”) at [14];

(3) leave should be granted unless the proposed amendment “is so obviously futile that it would be struck out if it had appeared in the original pleading or would cause substantial injustice which cannot be compensated for in the manner” indicated above: *S.P.I. Spirits* at [17];

(4) the allowance of an amendment before the commencement of a trial “stands in a very different position from amendment towards the end of a trial”: *S.P.I. Spirits* at [18]; and

(5) relevant matters the Court may consider include the nature and importance of the amendment to the party applying for it and the prejudice caused by the amendment: *Tamaya* at [127].

1. In relation to the proposed amendments to the AOA and the ASOC, AMC submits that the proposed amendments in the ASOC are to give effect to the proposed joinder of BLC and to make consequential changes, as well as to correct the name of the second respondent.
2. AMC’s submissions focussed on three“key” paragraphs of the ASOC: [9], [9A] and [9B].
3. AMC observes that [9] deals with direct infringement and notes that the paragraph appears in the same form in the existing pleading, and in that sense it is not being amended. It would, if the joinder application is successful, apply to BLC (as well as BLYA and BLY) as a result of the proposed amendments.
4. AMC proposes to amend the particulars to [9] by adding particulars to identify instances of infringement relied on by the AMC. This is done for both BLYA and BLC. The respondents complain that there is no particularisation of any instance of infringement by the existing respondent, BLY in the proposed ASOC. In relation to BLY, AMC notes that an allegation of direct infringement is already on foot (in the current pleading) against that entity. AMC submits that the lack of particularisation of a specific instance of infringement by that entity is not a reason to refuse the proposed amendments.
5. AMC submits that proposed [9A] and [9B] deal with indirect infringement and ought to be uncontroversial. Those paragraphs are said by AMC to clarify the basis of the allegation that each of the respondents indirectly infringed the Patent by authorising, inducing, procuring, and joining in a common design with each other to infringe the Patent by exploiting the V5 TruCore Tools that had already been effectively pleaded in a more rolled-up way in the existing pleading, and also bring BLC into the allegations of indirect infringement.
6. Proposed [9B] adds an allegation that each of the Respondents joined in a common design with Globaltech Corporation Pty Ltd to manufacture the V5 TruCore Tool and to infringe the Patent. This amendment arose out of the evidence of an exclusive supply arrangement between the Boart Longyear companies and Globaltech Corporation Pty Ltd which emerged during cross examination of Mr Hejleh in the 2019 Proceeding. AMC contends that the effect of proposed [9A] and [9B] is to make its allegations more precise.
7. The respondents do not contend that the proposed amendments are so futile they would be struck out if they were in the original pleading. However, as noted above, senior counsel for the respondents foreshadowed a strike out application by BLC if it was joined.
8. The first and second respondents identify a number of alleged deficiencies in relation to the particulars contained in the ASOC, and foreshadow the “storm on the horizon”. For example:
9. The first and second respondents seek better particulars to demonstrate that BLC is the “controller” of the [www.boartlongyear.com](http://www.boartlongyear.com)” website at [9] of the ASOC.
10. The first and second respondents submit the particulars to [9] of the ASOC plead a case against the first, second and proposed third respondents, however, that pleading is deficient as it does not disclose a case against the second respondent (BLY). The respondents note that BLY is a holding company that does not partake in the infringing conduct.
11. The first and second respondents submit the particulars to [9A] of the ASOC do not identify what it is that each of the respondents have done.
12. The first and second respondents seek better particulars at [17] of the ASOC which relates to the respondents giving or publishing advertisements which contained instructions or inducements to use the V5 TruCore Tools, and seek that the instructions identified on the Boart Longyear website be referenced or evidenced.
13. Ms Arcus, counsel for AMC, submitted that the ultimate correctness of the propositions in the particulars to [9], [9A] and [9B] and other paragraphs of the ASOC is a matter for trial. An application for leave to file an amended pleading is not the appropriate forum to address disputes about particulars.

## Consideration

1. As noted above, AMC’s application to amend the statement of claim and originating application is made at an early stage, well prior to any trial in the proceeding.
2. BLYA, BLY and BLC are all related entities. No prejudice other than costs, to any of the respondents, has been identified as arising from the ASOC. The applicants accept that they should pay the respondents’ costs thrown away by the amendments.
3. There is no relevant delay so as to be disentitling, in circumstances where the parties have not put on their evidence and no trial date has been set. The respondents (and BLC) have ample time to deal with any matters arising from the ASOC. It is not the point that AMC could have, but did not apply for, preliminary discovery against BLC under r 7.23 of the Rules. Consistent with the overarching purpose of s 37M of the *FCA Act*, if an applicant considers that it has sufficient information to enable the decision whether to start a proceeding in the Court to be made, then an application for preliminary discovery is not necessary, and would only add considerably to the cost and expense of the proceeding and unnecessarily extend the length of the interlocutory stages of the proceeding.
4. For these reasons I will grant leave to AMC to amend:
5. the statement of claim in the form of annexure CEW-10 to Mr Williams’ second affidavit; and
6. the originating application in the form of annexure CEW-11 to Mr Williams’ second affidavit.

# Leave to serve outside the jurisdiction

1. AMC applies for leave pursuant to rr 10.43 and 10.44 of the Rules to serve the proposed ASOC and AOA on BLC in the United States.
2. Relevantly, r 10.43 provides that service of an originating application on a person in a foreign country is effective for the purpose of a proceeding if the Court has given leave under r 10.43(2) before the application is served. Rule 10.44 relates to service of documents other than an originating application.
3. Rule 10.43(2) provides that a party may apply to the Court for leave to serve an originating application on a person in a foreign country in accordance with a convention, the Hague Convention or the law of the foreign country. Here, service under the Hague Convention is sought.
4. In seeking leave to serve an originating application on a person in a foreign country, an applicant must establish that:
5. the Court has jurisdiction in the proceedings (r 10.43(4)(a));
6. the proceedings are of a kind mentioned in r 10.42 of the Rules (r 10.43(4)(b)); and
7. they have a prima facie case for all or any of the relief claimed in the proceeding (r 10.43(4)(c)).
8. An application for leave to serve outside the jurisdiction under rr 10.43 or 10.44 must be accompanied by an affidavit stating (1) the name of the foreign country where the person to be served is or is likely to be, (2) the proposed method of service, and (3) that the proposed method of service is permitted, relevantly in the present application, under the Hague Convention: rr 10.43(3), 10.44(2). Mr Williams’ second affidavit provides the required information.
9. The applicable principles are summarised by Cheeseman J in ***Hamilton*** *v Meta Platforms, Inc (Service out of Jurisdiction)* [2022] FCA 681 at [4]–[5]. Relevantly, Cheeseman J notes:

4 …If [the applicant] establishes each of the matters in rr 10.43(3) and (4) of the Rules, the Court has a residual discretion as to whether to grant leave: *Humane Society International Inc v Kyodo Senpaku Kaisha Ltd* [2006] FCAFC 116; 154 FCR 425, 428 at [3] (Black CJ and Finkelstein J); Jasmin *Solar Pty Ltd v Trina Solar Australia Pty Ltd* [2015] FCA 1453; 331 ALR 108, 119 at [66] (Edelman J, when his Honour was in this Court).

5 [The applicant] need not establish a prima facie case in respect of all of his pleaded claims. He need only establish a prima facie case in relation to one cause of action or remedy: r 10.43(4)(c) of the Rules; *Israel Discount Bank Limited v ACN 078 272 867 Pty Ltd (in liq) (formerly Advance Finances Pty Ltd)* [2019] FCAFC 90; 367 ALR 71, 84 at [48] (Yates, Beach and Moshinsky JJ).

## (a) Jurisdiction

1. The claims in the proposed ASOC against BLC, are founded on the***Patents Act*** *1990* (Cth). In the proposed ASOC, the applicants allege that BLC in Australia infringed the Asserted Claims by directly engaging in acts of exploitation of the V5 TruCore Tools, and indirectly, by authorising, inducing, procuring or joining in a common design with BLY, BLYA and/or Globaltech Corporation Pty Ltd to engage in exploitation of the V5 TruCore Tools. The Federal Court has jurisdiction to hear these claims pursuant to s 19 of the *FCA Act* and s 120 of the *Patents Act*.
2. According to Mr Williams, BLC is a company formed according to the laws of the United States of America. BLC is a company in the same corporate group as the first and second respondents, and is a wholly owned subsidiary of BLY (the second respondent).

## (b) Proceeding of the kind in r 10.42

1. Rule 10.42 sets out in tabular form the kinds of proceeding for which an originating application may be served on a person in a foreign country. These include a proceeding seeking any relief or remedy under an Act (item 15). Proceedings for patent infringement under the *Patents Act* are of that kind. The table also identifies the following kinds of proceeding, which are also relevant to the present case: a proceeding based on a tort committed in Australia (item 4); a proceeding based on, or seeking the recovery of, damage suffered wholly or partly in Australia caused by a tortious act or omission (wherever occurring) (item 5); and a proceeding in which the subject matter, to the extent that it concerns the person to be served, is property in Australia (item 21). The originating application is one which the Court has power to order be served outside Australia pursuant to r 10.43.

## (c) Prima facie case

1. In *Australian Competition and Consumer Commission v Yellow Page Marketing BV* [2010] FCA 1218, Gordon J at [25] observed:

The requirement to demonstrate a prima facie case in this context is not particularly onerous.  The question is whether on the material before the Court, inferences were open which, if translated into final findings of fact, would support the relief claimed.  A prima facie case exists, provided there is such evidence, even on a hearsay basis, as to sufficient elements of the proceeding leading to any (and not necessarily all) of the relief sought: *Bray v F Hoffman-La Roche Ltd* (2003) 130 FCR 317 at [39], [55], [58] and [97].

(Emphasis in original.)

1. At [36] of *Hamilton*, Cheeseman J observed:

The requirement for the applicant to establish a prima facie case for all or any of the relief claimed in the proceeding under r 10.43(4)(c) is “not particularly onerous”: *Yellow Page Marketing* at [25] (Gordon J). A prima facie case is made out where, upon a broad examination rather than an intense scrutiny of the material before the Court, inferences are shown to be open which, if translated into findings of fact, would support the relief claimed: *Australian Competition and Consumer Commission v April International Marketing Services Australia Pty Ltd (No 6)* [2010] FCA 704; 270 ALR 504, 507 at [8] (Bennett J) and the cases cited therein. A detailed analysis of the evidence is not called for: *NPP Australia Limited v Ripple Labs, Inc* [2020] FCA 1237 at [27] (Burley J). This is particularly apposite where the party served has an entitlement to apply to set aside service under r 13.01(1)(b) of the Rules: *Epic Games, Inc v Google LLC (Service Out of Jurisdiction)* [2021] FCA 666 at [9] (Perram J).

1. AMC relies on the two Williams affidavits to support its application for service. AMC submits, and I accept, that the matters deposed to by Mr Williams and annexed to his affidavits demonstrate a prima facie case for the relief it seeks. On the basis of that material I consider that there is at least prima facie inferential basis for the claim that BLC has been involved, either directly or indirectly, in the offering for sale, sale and supply of the V5 TruCore Tools in Australia, including via the Boart Longyear website, and that such conduct will be found to constitute an infringement of the Asserted Claims of the Patent. I am satisfied that there is a prima facie case for the relief sought against BLC for the purposes of r 10.43(4)(c).
2. First, AMC alleges, and BLYA and BLY admit, that BLC is the controller of the Boart Longyear website. According to Mr Williams, BLC is the registrant of the Boart Longyear website which promoted the V5 TruCore Tools to Australian consumers and also provided instructions for their use during the Relevant Period.
3. Second, AMC alleges, and BLYA and BLY admit, that the V5 TruCore Tools were the same core orientation tools as the Orifinder v5 Tools in *Globaltech FI*, which were found by Besanko J to infringe the same asserted claims of the Patent. At [327] of *Globaltech FI*, Besanko J recorded Globaltech’s admission in that case that the Orifinder v5 tools were sold with a user guide.
4. Third, according to Mr Williams:
5. BLC, BLYA and BLY share common directors.
6. BLC had a close corporate structure with each of BLY, BLYA and Globaltech Corporation Pty Ltd.
7. Globaltech is part of the Boart Longyear group. BLY owns 100% of share capital in Votraint No. 1609 Pty Limited (**Votraint**) and Votraint acquired a minority, and then majority shareholding in Globaltech during the Relevant Period.
8. BLC was involved in the decision for Boart Longyear to acquire shareholdings in Globaltech.
9. Globaltech and Boart Longyear had an exclusive distribution and supply agreement for the V5 TruCore Tools.
10. BLC is responsible for operations in the United States, and the head office for Boart Longyear’s global operations is in Salt Lake City, Utah. BLC is the only company in the BLC group that has a registered address in Utah.
11. BLC and the respondents shared business operations including in respect of the V5 TruCore Tools, worked together collectively to operate the core orientation tool businesses and their collective operations and close connections are sufficient to find that each respondent is a joint tortfeasor with and/or authorised each other.

## Accompanying affidavit

1. In his second affidavit, Mr Williams deposes that:
2. BLC is a company formed under the laws of Utah in the United States of America.
3. He accessed the website of the Hague Conference on Private International Law, located at [www.hcch.net](http://www.hcch.net) (the HCCH website).
4. The contracting parties to the Hague Convention are listed in a schedule made available on the HCCH website.
5. From his review of the schedule of contracting parties, Australia and the United States of America (in which BLC is located and incorporated) are parties to the Hague Convention.
6. Per [2.4] of the Overseas Service and Evidence Practice Note (GPN-OSE), steps were taken to identify, from the Australian Government Attorney-General’s Department website, the appropriate method of transmitting documents in the United States.
7. The central authority in the United States is the Office of International Judicial Assistance, Civil Division, within the Department of Justice. On its website, it has published that there are two possible methods of service in the United States. One is to have the central authority in Australia convey to the private contractor engaged by the Department of Justice, ABC Legal Services, for service in the United States under the Hague Convention. The second is by mail.
8. AMC submits that United States federal law does not require service on private individuals or companies to be sent to the private contractor ABC Legal Services for service to be effective because service by mail is permitted. AMC refers to *Kabbabe v Google LLC* [2020] FCA 126 at [9], wherein Murphy J said:

In *Water Splash Inc v Menon* 581 U.S. 1 (2017) at 12 the US Supreme Court held that the Hague Service Convention does not prohibit service of process in the USA by direct post to the respondent, and there is nothing in the materials before the Court to indicate that the USA objects to direct postal service of legal process under the Convention. The Practical Handbook [on the Operation of the Hague Service Convention (Permanent Bureau of the Hague Conference on Private International Law, 2006)] states at [204] that a comprehensive list of objecting States is available on the website of the Permanent Bureau of the Hague Conference on Private International Law. Having reviewed that website, it states that the USA does not object to service under Art. 10(a). I proceed on that basis.”

1. AMC proposes to serve, as the Court sees fit, either by:
2. using the central authority process under the Hague Convention (by applying to the Registrar, in the Registrar’s capacity as a forwarding authority, for a request for service in the United States of an Australian judicial document, pursuant to r 10.64(1)); or
3. registered post to:
   1. BLC’s registered address at 2455 South 2600 West, Salt Lake City, UT 84119, and
   2. BLC’s USA law firm, Fisch Sigler, at 5301 Wisconsin Avenue NW, Fourth Floor, Washington, DC 20015, and
   3. Globaltech Corporation Pty Ltd’s lead counsel in the USPTO Proceeding, Haynes and Boone, LLP at 2323 Victory Ave, Suite 700, Dallas, TX 75219.
4. The respondents note that the second and third proposed addresses for service by post are more appropriate for an application for substituted service, rather than service out in accordance with rr 10.43 and 10.44, as neither is an address for BLC. No such application has been made.
5. I am satisfied on the basis of the evidence that it is appropriate to grant leave to serve the AOA and the ASOC outside Australia. I will grant leave to AMC to serve the AOA and ASOC outside Australia by serving them by registered post to BLC’s registered address in Salt Lake City, Utah.

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| I certify that the preceding seventy-three (73) numbered paragraphs are a true copy of the Reasons for Judgment of the Honourable Justice Rofe. |

Associate:

Dated: 13 October 2022