FEDERAL COURT OF AUSTRALIA

Nesor Nominees Pty Ltd v Big Boys BBQ Qld Pty Ltd [2019] FCA 1208

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| File number(s): | VID 383 of 2019 |
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| Judge(s): | **ANDERSON J** |
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| Date of judgment: | 31 July 2019 |
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| Date of publication of reasons: | 5 August 2019 |
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| Catchwords: | **PRACTICE AND PROCEDURE** – application for default judgment under r 5.23 of the *Federal Court Rules 2011* (Cth) against respondents – where order for substituted service of respondents – where failure of respondents to attend case management hearings – whether applicant is entitled to relief  **TRADE MARKS** – infringement of registered trade marks – declaration of infringement – injunctions – nominal damages – additional damages – deterrence – flagrancy of conduct  **Held:** application for default judgment granted with costs of the proceeding – respondents in default – applicant entitled to declaration, injunctions, nominal damages and additional damages |
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| Legislation: | *Federal Court of Australia Act 1976* (Cth) s 21  *Trade Marks Act 1995* (Cth) ss 120(1), 120(2), 126, 126(2)  *Federal Court Rules 2011* (Cth) rr 5.22(c), 5.23(2)(c), 8.05, 10.24, 16.13, 40.02(b) |
|  |  |
| Cases cited: | *Australian Building and Construction Commissioner v Construction, Forestry, Mining and Energy Union* [2017] FCAFC 113; 254 FCR 68  *Australian Competition and Consumer Commission v Dataline.Net.Au Pty Ltd (ACN 075 400 529)* [2006] FCA 1427; 236 ALR 665  *Bank of Kuwait and the Middle East v Ship MV “Mawashi Al Gasseem” (No 2)* [2007] FCA 815; 240 ALR 120  *B J International Limited v Ashgar (No 2)* [2013] FCA 580  *CXXXVIII v Commonwealth of Australia* [2019] FCAFC 54  *Engineered Thermal Systems Pty Ltd v Salmon, In the Matter of Salmon and Speck Pty Ltd (In Liq)* [2012] FCA 1159  *Forster v Jododex Australia Pty Ltd* [1972] HCA 61; 127 CLR 421  *Geneva Laboratories Ltd v Prestige Premium Deals Pty Ltd (No 4)* [2016] FCA 867; 120 IPR 133  *Geneva Laboratories Ltd v Prestige Premium Deals Pty Ltd (ACN 145 497 427) (No 5)* [2017] FCA 63; 122 IPR 279  *Halal Certification Authority Pty Ltd (ACN 068 275 203) v Scadilone Pty Ltd (ACN 003 479 034) (t/as Sofra Pizza Pide & Kebab House)* [2014] FCA 614; 107 IPR 23  *Hugo Boss Trade Mark Management GmbH & Co Kg v Sasalili Oxford Fio* [2014] FCA 1328; 110 IPR 74  *Maggie Sottero Designs LLC v Loner* [2018] FCA 1151  *Nokia Corporation v Liu* [2009] FCA 20; (2009) 80 IPR 286  *Nokia Corporation v Truong* [2005] FCA 1141; 66 IPR 511  *Speedo Holdings B.V. v Evans (No 2)* [2011] FCA 1227  *Tobacco Institute of Australia Ltd v Australian Federation of Consumer Organisations Inc (No 2)* [1993] FCA 105; 41 FCR 89  *Truong Giang Corporation v Quach* [2015] FCA 1097; 114 IPR 498  *Yeo v Damos Earthmoving Pty Ltd, in the matter of Beachwood Developments Pty Ltd (in liq)* [2011] FCA 1129 |
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| Date of hearing: | 31 July 2019 |
|  |  |
| Registry: | Victoria |
|  |  |
| Division: | General Division |
|  |  |
| National Practice Area: | Intellectual Property |
|  |  |
| Sub-area: | Trade Marks |
|  |  |
| Number of paragraphs: | 53 |
|  |  |
| Counsel for the Applicant: | Ms M Marcus |
|  |  |
| Solicitor for the Applicant: | Frenkel Partners |
|  |  |
| Counsel for the Respondents: | Respondents did not appear |

ORDERS

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|  | | VID 383 of 2019 |
|  | | |
| BETWEEN: | NESOR NOMINEES PTY LTD (ACN 113 135 934)  Applicant | |
| AND: | BIG BOYS BBQ QLD PTY LTD (ACN 624 548 509)  First Respondent  SHARLEEN MARIE MOORHOUSE  Second Respondent  DANIEL NEWNHAM  Third Respondent | |

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| JUDGE: | ANDERSON J |
| DATE OF ORDER: | 31 July 2019 |

THE COURT ORDERS THAT:

In these orders:

(a) “**Applicant’s Trade Marks**” means trade mark number 1449900 for “Big Boy BBQ” and trade mark number 1449901 for “Big Boy Barbeque”, each registered in relation to goods and services in classes 16, 25 and 43.

(b) “**Respondents’ Trade Marks**” means the words “Big Boys BBQ Qld” and “Big Boys BBQ Queensland”.

**UPON ADMISSIONS OUTLINED IN THE APPLICANT’S CONCISE STATEMENT WHICH THE RESPONSENTS ARE TAKEN TO HAVE MADE CONSEQUENT UPON THEIR NON-COMPLIANCE WITH THE REQUIREMENTS OF THE RULES OF THE COURT, THE COURT DECLARES PURSUANT TO RULE 5.23(2)(C) OF THE FEDERAL COURT RULES 2011 THAT:**

1. Between about November 2017 and 25 May 2019, by their supplying or selling, offering to supply or sell, advertising or promoting, goods and services of the same description as, or closely related to, the goods and services covered by the Applicant’s Trade Marks including, without limitation, services relating to the preparation of food and drink, services relating to providing food and drink, takeaway food services, catering services and restaurant services, under, or by reference to, the Respondents' Trade Marks, each of the Respondents infringed the Applicant’s Trade Marks under sections 120(1) and 120(2) of the *Trade Marks Act 1995* (Cth).

**THE COURT ORDERS PURSUANT TO RULE 5.23(2)(C) OF THE FEDERAL COURT RULES 2011 THAT:**

## Injunctions

2. The Respondents be permanently restrained whether by themselves or by their servants or agents, from supplying or selling, offering to supply or sell, advertising or promoting, goods and services of the same description as, or closely related to, the goods and services covered by the Applicant’s Trade Marks including, without limitation, services relating to the preparation of food and drink, services relating to providing food and drink, takeaway food services, catering services and restaurant services, under, or by reference to, the Applicant’s Trade Marks, the Respondents’ Trade Marks, or any other sign which is substantially identical with, or deceptively similar, to the Applicant’s Trade Marks.

3. The Respondents be permanently restrained, whether by themselves or by their servants or agents, from applying to register any trade mark, company name, business name, or domain name for or containing the sign “Big Boys BBQ”, or any other sign which is substantially identical with, or deceptively similar to, the Applicant’s Trade Marks.

## Damages

4. The Respondents jointly and severally pay the Applicant nominal damages of $10.00.

5. The Respondents jointly and severally pay the Applicant additional damages in the sum of $7,500.00.

## Costs

6. The Respondents jointly and severally pay the Applicant’s costs of and incidental to the proceeding (exclusive of GST), being the lump sum of $47,629.02.

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

REASONS FOR JUDGMENT

ANDERSON J:

## Introduction and summary

1 The applicant, Nesor Nominees Pty Ltd, is the registered owner of various trade marks including “Big Boy BBQ” and “Big Boy Barbeque”. The applicant, and its authorised representatives, have used the trade marks since 2011 in relation to the sale and provision of certain goods and services.

2 In its concise statement filed in this proceeding, the applicant alleged that the three respondents were infringing these trade marks by conducting a business in Queensland under, and by reference to, the names “Big Boys BBQ Qld” and “Big Boys BBQ Queensland”. The applicant accordingly sought orders restraining the respondents from engaging in the infringing conduct, and otherwise sought damages from the respondent as a result of that conduct.

3 The respondents have not engaged in the proceeding. They were served pursuant to an order for substituted service, they have not filed any documents in the proceeding, and they have not appeared at any case management hearing in the proceeding. The applicants accordingly sought an order for default judgment against the respondents.

4 On 31 July 2019, I made orders granting the applicant default judgment against the respondents. Those orders included a declaration of infringement, and injunctions against the respondents, in the terms set out in the “Orders” pages above these reasons for judgment. I also awarded the applicant nominal damages of $10 and additional damages of $7,500 against the respondents.

5 These are my reasons for making those orders.

## History of this proceeding

6 On 16 April 2019, the applicant commenced this proceeding by way of originating application, with an accompanying concise statement, seeking relief against the three respondents for infringement of the applicant’s trade marks “Big Boys BBQ” (Trade Mark No. 1449900) and “Big Boy Barbeque” (Trade Mark No. 1449901) (collectively, **applicant’s trade marks**).

7 The applicant’s originating application relevantly claimed certain injunctions against the respondents; damages or, alternatively (at the applicant’s option), an account of profits; and additional damages pursuant to s 126(2) of the *Trade Marks Act 1995* (Cth) (**Act**). The originating application did not claim any declaratory relief although the applicant later sought such relief in its application for default judgment.

8 The applicant’s concise statement set out the following important facts giving rise to the claim:

1. The Applicant (**Nesor**) is, and has been with effect from 4 October 2011, the registered owner of the following Australian registered trade marks, each of which are registered in respect of goods and services in classes 16, 25 and 43 (the **Applicant’s Trade Marks**):

(a) Big Boy BBQ (Trade Mark No: 1449900); and

(b) Big Boy Barbeque (Trade Mark No: 1449901).

2. The Applicant’s Trade Marks have been used by the Applicant and/or its authorised representatives since 2011 in relation to the sale of meat and related products, and in relation to various services including the preparation of food and drink, the provision of food and drink, take away food services, catering services, and restaurant services.

3. On or about 27 October 2017, the Second Respondent registered the business name Big Boys BBQ Qld (ABN 29 515 535 865) (**Business Name**). The Business Name was cancelled on 14 March 2019.

4. On or about 29 November 2017, an active Facebook page was established under and by reference to the name “Big Boys BBQ Qld” (**Facebook page**).

5. The Facebook page advertises barbecue products and services under and by reference to the name “Big Boys BBQ Qld”, including the provision of food, catering services and take away food services.

6. On or around 20 February 2018, the First Respondent was incorporated under the name Big Boys BBQ Qld Pty Ltd.

7. The Second Respondent is the sole director and company secretary of the First Respondent.

8. The Third Respondent maintains a social media page on LinkedIn, accessible at [description of URL] (**LinkedIn page**).

9. The LinkedIn page lists the Third Respondent as the owner of the business “Big Boys BBQ Qld” and includes a photo of the cooking trailer branded “Big Boys BBQ Queensland”. A photo of a trailer with the same branding also appears on the Facebook page.

10. As a result of the matters in paragraphs 3-9 above, it is clear that the Respondents are conducting a business in Queensland under and by reference to the names “Big Boys BBQ Qld” and “Big Boys BBQ Queensland” (the **Respondents’ Trade Marks**).

11. The Respondents’ Trade Marks are substantially identical with or deceptively similar to each of the Applicant’s Trade Marks.

12. The Respondents’ Trade Marks are being used by the Respondents in relation to services in respect of which each of the Applicant’s Trade Marks are registered.

13. The Applicant has requested each of the Respondents to cease promoting and supplying services under the Respondent’s Trade Marks of any other trade mark that is substantially identical with or deceptively similar to the Applicant’s Trade Marks and, to date, the conduct has not ceased.

9 On 7 June 2019, the proceeding was listed for a first case management hearing. The applicant was represented by Ms Marcus of counsel. I made an order at the hearing, pursuant to r 10.24 of the *Federal Court Rules 2011* (Cth) (**Rules**), for substituted service of the applicant’s originating application, concise statement and genuine steps statement, each dated 11 April 2019. The applicant subsequently effected service on the respondents in accordance with the terms of this order.

10 On 20 June 2019, the proceeding was listed for a further case management hearing. By this time, the respondents had still not filed a notice of address for service and did not appear at the hearing. Ms Marcus informed me that the applicant proposed to make an application for judgment against the respondents pursuant to r 5.23(2)(c) of the Rules on the basis that the respondents had failed to attend a hearing in the proceeding: see r 5.22(c) of the Rules. I relevantly ordered that:

(a) the applicant, by 24 July 2019, file such affidavit material that the applicant intended to rely upon for the purpose of obtaining judgment and the relief sought in its originating statement and concise statement with an outline of submissions in support of its application;

(b) the matter be listed for hearing on 31 July 2019; and

(c) the applicant serve the respondents with the applicant’s originating application and concise statement, a copy of these orders dated 20 June 2019 and a copy of the transcript of the hearing on 20 June 2019.

11 The respondents were duly served with the documents referred to above at [10(c)] in accordance with these orders.

12 On 31 July 2019, the matter was again listed for a case management hearing at which the applicant made its application for default judgment. Prior to the hearing, the applicant had filed:

(a) detailed written submissions setting out the basis upon which the applicant contended that it was entitled to judgment against the respondents pursuant to r 5.23(2)(c) of the Rules; and

(b) the following affidavits in support of its application:

(i) two affidavits of Sofija Celebic, a solicitor in the employ of the applicant’s legal representatives, both sworn 24 July 2019; and

(ii) an affidavit of Carolyn Lang, a former employee of the respondents’ business operated under the name “Big Boys BBQ Queensland”, sworn 24 July 2019,

(collectively, **supporting affidavits**).

## Relevant principles

13 The application by the applicant for default judgment against the respondents is made pursuant to s 5.23(c) of the Rules. For reference, the relevant aspects of the Rules are as follows:

**5.22 When a party is in default**

A party is in default if the party fails to:

(a) do an act required to be done, or to do an act in the time required, by these Rules; or

…

(c) attend a hearing in the proceeding; or

…

**5.23 Orders on default**

…

(2) If a respondent is in default, an applicant may apply to the Court for:

…

(c) if the proceeding was started by an originating application supported by a statement of claim or an alternative accompanying document referred to in rule 8.05, or if the Court has ordered that the proceeding continue on pleadings—an order giving judgment against the respondent for the relief claimed in the statement of claim or alternative accompanying document to which the Court is satisfied that the applicant is entitled; …

14 The applicant’s concise statement filed in this proceeding constitutes an “alternative accompanying document referred to in rule 8.05” for the purposes of r 5.23(2)(c): see generally rr 8.05 and 16.13 of the Rules; Part 6 of the *Central Practice Note: National Court Framework and Case Management (CPN-1)* dated 25 October 2016 and, in the context of intellectual property proceedings, Part 4 of the *Intellectual Property Practice Note (IP-1)* dated 25 October 2016.

15 In *Engineered Thermal Systems Pty Ltd v Salmon*, *In the Matter of Salmon and Speck Pty Ltd (In* *Liq)* [2012] FCA 1159 at [36], Foster J, citing the observations of Flick J in *Speedo Holdings B.V. v Evans (No 2)* [2011] FCA 1227 at [15]-[26], summarised the key principles in relation to r 5.23(2)(c) as follows:

(a) The power afforded to the Court is discretionary. The discretion should generally be exercised with caution;

(b) The discretionary power to enter a judgment by default is enlivened when an applicant makes application to the Court for an appropriate order. In the absence of such an application, the power cannot be invoked;

(c) There is a difference in the terms by which the limits of the power conferred by former O 35A r 3(2)(c) are expressed and the wording of the current r 5.23(2)(c). Notwithstanding that difference in language, the requirement imposed is not that an applicant prove by way of evidence the claim which is sought to be advanced. The requirement is that the Court needs to be satisfied on the face of the Statement of Claim that the applicant is entitled to the relief claimed. The facts as alleged in the Statement of Claim are deemed to have been admitted by the respondent who is in default;

(d) In order to be satisfied that an applicant is entitled to the relief claimed in the Statement of Claim, the Court needs to be satisfied that each element of the relevant civil wrong involved is properly and discretely pleaded in the Statement of Claim; and

(e) In addition to the facts alleged in the Statement of Claim, the Court may permit recourse to limited further evidence. But it may not admit evidence which would alter the case as pleaded.

16 These principles were also quoted in *Maggie Sottero Designs LLC v Loner* [2018] FCA 1151 (***Maggie Sottero***) at [6] per Nicholas J.

17 As alluded to in these principles, once the respondents are in default, the applicant is not required to prove the claim by evidence but is only required to establish that, on the face of the statement of claim (here, the concise statement), there is a claim for the relief sought and that the claim falls within the jurisdiction of the Court: see *Maggie Sottero* at [7], citing *Yeo v Damos Earthmoving Pty Ltd, in the matter of Beachwood Developments Pty Ltd (in liq)* [2011] FCA 1129 at [9] per Gordon J.

18 When considering whether to enter judgment against a respondent pursuant to r 5.23, much may depend upon whether a respondent has been given adequate notice of an intention to make an application for judgment and given an opportunity to remedy a past act of default: see *B J International Limited v Ashgar (No 2*) [2013] FCA 580 at [14] per Flick J, cited in *Maggie Sottero* at [8].

## Consideration

### Respondents’ default

19 The respondents failed to attend the three case management hearings listed in the proceedings. I am satisfied that the respondents are in default pursuant to r 5.22 of the Rules.

### Jurisdiction of the Court

20 The applicant’s concise statement alleged infringement by the respondents of the applicant’s trade marks under ss 120(1) or (2) of the Act. Those provisions relevantly provide as follows:

**When is a registered trade mark infringed?**

(1) 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 goods or services in respect of which the trade mark is registered.

…

(2) 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.

…

21 An action for trade mark infringement pursuant to these provisions of the Act is plainly within the jurisdiction of the Court.

### Factual underpinnings

22 On the basis of the material facts alleged in its concise statement, and the matters specified in the supporting affidavits, I am satisfied that the applicant has relevantly established that:

(a) the applicant is the owner of the applicant’s trade marks, each of which are registered in relation to goods and services in classes 16, 25 and 43. In particular, class 43 comprises of goods and services for “preparation of food and drink; providing food and drink; take away food services; catering services; restaurant services”;

(b) the respondents are conducting a business in Queensland under and by reference to the marks “Big Boys BBQ Qld” and “Big Boys BBQ Queensland” (**respondents’ trade marks**);

(c) the respondents’ trade marks are substantially identical with or deceptively similar to each of the applicant’s trade marks;

(d) the respondents’ trade marks are being used by the respondents in relation to services in respect of which each of the applicant’s trade marks are registered;

(e) the evidence establishes that consumers or potential consumers have been confused or caused to wonder whether there is any connection between the services provided under or by reference to the applicant’s trade marks and those services provided by the respondents under the respondents’ trade marks; and

(f) the use by the respondents of the respondents’ trade marks infringe the applicant’s trade marks for the purposes of ss 120(1) or (2) of the Act.

### Entitlement to relief

#### Declaration

23 The applicant first sought a declaration that the conduct of the respondents outlined in the concise statement infringes the applicant's trade marks.

24 The Court has a wide discretionary power to make declarations under s 21 of the *Federal Court of Australia Act 1976* (Cth): *Australian Building and Construction Commissioner v Construction, Forestry, Mining and Energy Union* [2017] FCAFC 113; 254 FCR 68 (***Queensland Children’s Hospital case***) at [92] per Dowsett, Greenwood and Wigney JJ, citing *Forster v Jododex Australia Pty Ltd* [1972] HCA 61; 127 CLR 421 (***Forster***) at 437-438 per Gibbs J and *Tobacco Institute of Australia Ltd v Australian Federation of Consumer Organisations Inc (No 2)* [1993] FCA 105; 41 FCR 89 at 99 per Sheppard J. Before making a declaration, the Court should be satisfied that the question is real, not hypothetical or theoretical, that the applicant has a real interest in raising the issue and that there is a proper contradictor: *Queensland Children’s Hospital case* at [92], citing *Forster* at 437-438; see also *CXXXVIII v Commonwealth of Australia* [2019] FCAFC 54 at [31] per Logan, Bromwich and Charlesworth JJ.

25 Care must be taken in granting declaratory relief in cases of granting default judgment; such relief ought be confined to the proceedings and the parties at hand: *Geneva Laboratories Ltd v Prestige Premium Deals Pty Ltd (No 4)* [2016] FCA 867; 120 IPR 133 (***Geneva Laboratories (No 4)***) at [78] per Bromwich J, citing *Bank of Kuwait and the Middle East v Ship MV “Mawashi Al Gasseem” (No 2)* [2007] FCA 815; 240 ALR 120 at [25] per Mansfield J.

26 The applicant submitted, and I accept, that the question is real and the applicant’s trade marks are being infringed. The applicant has a real interest in raising this issue.

27 The requirement for a contradictor is met if there is a party who had an interest to oppose the declaratory relief that was being sought: *Australian Competition and Consumer Commission v MSY Technology Pty Ltd* [2012] FCAFC 56; 201 FCR 378 at [30] per Greenwood, Logan and Yates JJ. This encompasses a range of responses from a respondent who is in outright opposition, to a respondent not appearing despite awareness that a declaration was to be sought, especially if there was precise knowledge of the date of the hearing of the application: *Geneva Laboratories (No 4)* at [82].

28 In this case, the respondents were notified of the date of the hearing on 31 July 2019 and that a declaration was to be sought. They must be taken to have chosen not to participate in the proceeding. Moreover, the declaratory relief claimed can be confined to the respondents. It may also be made clear that there has not been an adjudication on the merits of the applicant’s claims by including wording in the declaration to the effect that the declarations are made “upon admissions which the respondents in question are taken to have made consequent upon their noncompliance with the requirements of the rules of the Court”, as suggested by Kiefel J, as her Honour then was, in *Australian Competition and Consumer Commission v Dataline.Net.Au Pty Ltd (ACN 075 400 529)* [2006] FCA 1427; 236 ALR 665 at [59], cited in *Geneva Laboratories (No 4)* at [86].

29 I am satisfied that this is an appropriate case for declaratory relief. Having considered the form of declaration proposed by the applicant, I made a declaration in the following form:

**UPON ADMISSIONS OUTLINED IN THE APPLICANT’S CONCISE STATEMENT WHICH THE RESPONSENTS ARE TAKEN TO HAVE MADE CONSEQUENT UPON THEIR NON-COMPLIANCE WITH THE REQUIREMENTS OF THE RULES OF THE COURT, THE COURT DECLARES PURSUANT TO RULE 5.23(2)(C) OF THE FEDERAL COURT RULES 2011 THAT:**

1. Between about November 2017 and 25 May 2019, by their supplying or selling, offering to supply or sell, advertising or promoting, goods and services of the same description as, or closely related to, the goods and services covered by the Applicant’s Trade Marks including, without limitation, services relating to the preparation of food and drink, services relating to providing food and drink, takeaway food services, catering services and restaurant services, under, or by reference to, the Respondents' Trade Marks, each of the Respondents infringed the Applicant’s Trade Marks under sections 120(1) and 120(2) of the *Trade Marks Act 1995* (Cth).

#### Injunctions

30 The applicant also sought two permanent injunctions against the respondents.

31 Section 126(1)(a) of the Act provides that the Court “may grant in an action for infringement of a registered trade mark … an injunction, which may be granted subject to any condition that the court thinks fit”. Permanent injunctions are a conventional remedy in cases involving infringement of intellectual property rights: *Nokia Corporation v Truong* [2005] FCA 1141; 66 IPR 511 at [46] per Crennan J; *Truong Giang Corporation v Quach* [2015] FCA 1097; 114 IPR 498 (***Quach***) at [90] per Wigney J.

32 By way of letters of demand from the applicant’s solicitors at the time:

(a) the first and second respondents have been aware of the applicant’s trade mark rights and concerns in relation to the respondents’ use of the respondents’ trade marks since 4 December 2018; and

(b) the third respondent has been aware of the applicant’s trade mark rights and concerns in relation to the respondents’ use of the respondents’ trade marks since 27 December 2018.

33 Despite these initial demands, further demands particularised in the applicant’s concise statement, and numerous attempts by the applicant to serve the respondents and engage with the respondents in these proceedings, the respondents have shown no willingness to alter their behaviour or otherwise engage in these proceedings. The respondents have acted in total disregard of the applicant's trade mark rights and the process of this Court.

34 I am satisfied that it is appropriate in all the circumstances to grant injunctions restraining the respondents. Having considered the form of injunctions proposed by the applicant, I made the following orders:

**Injunctions**

2. The Respondents be permanently restrained whether by themselves or by their servants or agents, from supplying or selling, offering to supply or sell, advertising or promoting, goods and services of the same description as, or closely related to, the goods and services covered by the Applicant’s Trade Marks including, without limitation, services relating to the preparation of food and drink, services relating to providing food and drink, takeaway food services, catering services and restaurant services, under, or by reference to, the Applicant’s Trade Marks, the Respondents’ Trade Marks, or any other sign which is substantially identical with, or deceptively similar, to the Applicant’s Trade Marks.

3. The Respondents be permanently restrained, whether by themselves or by their servants or agents, from applying to register any trade mark, company name, business name, or domain name for or containing the sign “Big Boys BBQ”, or any other sign which is substantially identical with, or deceptively similar to, the Applicant’s Trade Marks.

35 The applicant had also initially sought the following order in its originating application:

An order that the First Respondent change its name to a name that does not include the words “Big Boys BBQ”.

36 I did not make this order because my view is that it was unnecessary and, regardless, Ms Marcus expressed at the hearing on 31 July 2019 that the applicant did not intend to pursue the making of that order.

#### Damages

37 As the applicant views that it is unlikely to ever be made aware of the profits the respondents have made as a result of their infringement, the applicant elected for an order for damages, including an order for additional damages, rather than an account of profits.

38 The Court has jurisdiction to award damages in an action for an infringement of a registered trade mark pursuant to s 126 of the Act. That provision relevantly provides the following:

**What relief can be obtained from court**

(1) The relief that a court may grant in an action for an infringement of a registered trade mark includes:

…

(b) at the option of the plaintiff but subject to section 127, damages or an account of profits.

(2) A court may include an additional amount in an assessment of damages for an infringement of a registered trade mark, if the court considers it appropriate to do so having regard to:

(a) the flagrancy of the infringement; and

(b) the need to deter similar infringements of registered trade marks; and

(c) the conduct of the party that infringed the registered trade mark that occurred:

(i) after the act constituting the infringement; or

(ii) after that party was informed that it had allegedly infringed the registered trade mark; and

(d) any benefit shown to have accrued to that party because of the infringement; and

(e) all other relevant matters.

39 The applicant concedes that it is unable to point to any actual loss it has suffered as a result of the respondents’ infringement. Nevertheless, the applicant submitted that it is entitled to an award of nominal damages.

40 I am satisfied that it is appropriate in the circumstances of this case to make an award of nominal damages: see *Nokia Corporation v Liu* [2009] FCA 20; (2009) 80 IPR 286 at [21] per Jessup J; *Halal Certification Authority Pty Ltd (ACN 068 275 203) v Scadilone Pty Ltd (ACN 003 479 034) (t/as Sofra Pizza Pide & Kebab House)* [2014] FCA 614; 107 IPR 23 (***Halal Certification Authority***) at [89] per Perram J; *Quach* at [102] per Wigney J.

41 Pursuant to s 126(2) of the Act, a party may also seek an award for additional damages: *Halal Certification Authority* at [95]-[100]; *Quach* at [128]-[140] per Wigney J. Additional damages was sought by the applicant in its originating application.

42 The purpose of an award of additional damages was explained in the Explanatory Memorandum to the Intellectual Property Laws Amendment (Raising the Bar) Bill 2011 (Cth) (**Explanatory Memorandum**) at p 113:

Additionally, **stakeholders have submitted that many counterfeiters do not maintain sufficient business records to enable a satisfactory calculation of ordinary damages or an account of profits**: purely nominal damages may be regarded by counterfeiters as merely the ‘cost of doing business’, rather than an effective deterrent. **The absence of additional damages under the *Trade Marks* *Act* limits the ability of a court to provide an effective deterrent to intentional counterfeiting**.

The amendment remedies these problems by giving the court the discretion to award additional damages. This aligns the remedies for trade mark infringement with other forms of intellectual property. It permits the court to provide a substantial deterrent and to mark its disapproval of flagrant infringement.

(Footnotes omitted and emphasis added.)

43 The power of the Court to award additional damages is discretionary and, in making its assessment as to whether additional damages should be award, it should have regard to the factors set out in s 126(2)(a) to (e) of the Act, as extracted above at [38].

44 In *Hugo Boss Trade Mark Management GmbH & Co Kg v Sasalili Oxford Fio* [2014] FCA 1328; 110 IPR 74, Middleton J expressed the following at [14]:

In light of the factors set out in s 126(2)(a)–(e) of the Act, the [Explanatory Memorandum] and the decision of Perram J in [*Halal Certification Authority*] in relation to additional damages under s 126(2) of the Act, it is clear that additional damages are to operate as a deterrent and to make infringement unattractive, not to compensate an applicant’s loss: see *Halal Certification Authority* at [99].

45 After reflecting on *Quach* at [129]-[140] per Wigney J, Bromwich J summarised the key features of an additional damages assessment in *Geneva Laboratories Ltd v Prestige Premium Deals Pty Ltd (ACN 145 497 427) (No 5)* [2017] FCA 63; 122 IPR 279 at [80] as follows:

(1) there is no need for proportionality to compensatory damages (although as noted below there is nothing to indicate that that is a forbidden consideration or benchmark);

(2) an award involves an element of penalty;

(3) judicial disapproval has a part to play;

(4) the terms of the statutory provision as to the non-exhaustive matters that can be taken into account in considering an award of additional damages do not constitute a precondition for them to be awarded;

(5) flagrant conduct includes that which is deliberate and calculated in disregard of the injured party’s rights, or a cynical pursuit of benefit;

(6) post-infringement conduct such as in the conduct of the proceedings is relevant more to costs than to additional damages but not irrelevant;

(7) additional damages encompass but are not the same as aggravated or exemplary damages at common law; and

(8) specific deterrence has a part to play, including general deterrence.

46 I am satisfied for the following reasons that this is a case which in all the circumstances warrants the making of an award of additional damages pursuant to s 126(2) of the Act:

(1) first, the respondents were made aware of the applicant’s trade marks and the rights attaching to those marks in December 2018 and elected to continue infringing the applicant’s trade marks and totally ignore the correspondence from the applicant’s solicitors;

(2) second, it is clear from the numerous affidavits of service field in the proceeding that the respondents have sought to evade service. This led to the orders on 7 June 2019 for substituted service. The evasion of service was, as the affidavits amply demonstrate, blatant and deliberate and facilitated the respondents’ infringing conduct; and

(3) third, the respondents have totally ignored this proceeding and failed to take any step in the proceeding. It is appropriate that the Court records its disapproval of the infringing conduct so as to deter others from engaging in like conduct.

47 In fixing the appropriate amount of additional damages, regard must be had to the size and nature of the respondent’s operations and the scale of the infringing conduct: *Quach* at [142]. This requires a broad evaluative judgment, taking into account all the circumstances and the objective of deterrence: ibid.

48 In my opinion, the award of additional damages of $7,500 would be suitable to deter the respondents from engaging in infringing conduct in the future. It would also serve as a deterrent and make infringement unattractive to others considering engaging in like conduct.

#### Costs

49 The applicant’s concise statement also claimed an order as to the costs of this proceeding.

50 I am satisfied that it is appropriate to make a lump sum cost order pursuant to r 40.02(b) of the Rules. Having considered the matters deposed to in the affidavit of Ms Celebic sworn 24 July 2019 dealing with the applicant’s costs (**costs affidavit**), I am satisfied that the costs incurred by the applicant are fair and reasonable and proportionate to the nature and complexity of the matter.

51 I made an order that the respondents jointly and severally pay the applicant’s costs of and incidental to the proceeding (exclusive of GST), being the lump sum of $47,629.02. That sum is the aggregate of:

(a) $19,208.40, representing 60% of the professional fees incurred by the applicant prior to the swearing of the costs affidavit;

(b) $6,000, representing approximately 60% of the professional fees (thereby approximating the party-party costs) incurred by the applicant in respect of the preparation during the period after the costs affidavit for, and appearance at, the hearing on 31 July 2019; and

(c) $22,420.62, being the actual disbursements incurred by the applicant prior to the swearing of the costs affidavit, including counsel’s fees.

## Conclusion and orders

52 For the reasons explained above, the respondents are in default for the purposes of the Rules, the Court has jurisdiction in respect of the applicant’s claims, and I am satisfied that the applicant is entitled to the relief it seeks. The respondents have been provided the opportunity to remedy their default but have totally ignored this proceeding. In all the circumstances of the case, I am satisfied that an order should be made pursuant to r 5.23(2)(c) of the Rules giving judgment against the respondents for the relief claimed by the applicant in its concise statement.

53 Having considered the form of orders proposed by the applicant, I made orders in the terms set out in the “Orders” pages above these reasons for judgment.

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| I certify that the preceding fifty-three (53) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Anderson. |

Associate:

Dated: 5 August 2019