FEDERAL COURT OF AUSTRALIA

Fairfax Media Publications Pty Limited v Network Ten Pty Limited [2018] FCA 2003

|  |  |
| --- | --- |
| File number: | NSD 2071 of 2018 |
|  |  |
| Judge: | **YATES J** |
|  |  |
| Date of judgment: | 11 December 2018 |
|  |  |
| Catchwords: | **TRADE MARKS** – application for interim injunctive relief for alleged infringement of trade mark – undertaking proffered by respondent to cease use of the trade mark subsequent to hearing of the application – whether undertaking should be accepted – whether respondent should bear the applicant’s costs  |
|  |  |
| Legislation: | *Australian Consumer Law* (Sch 2 of the *Competition and Consumer Act 2010* (Cth)), ss 18, 29(1)(h)*Corporations Act 2001* (Cth), s 411(4)*Trade Marks Act 1995* (Cth), ss 27(b), 120(1), 122  |
|  |  |
| Cases cited: | *Fairfax Media Limited; in the matter of Fairfax Media Limited (No 2)* (2018) FCA 1930  |
|  |  |
| Date of hearing: | 11 December 2018 |
|  |  |
| Registry: | New South Wales |
|  |  |
| Division: | General Division |
|  |  |
| National Practice Area: | Intellectual Property |
|  |  |
| Sub-area: | Trade Marks |
|  |  |
| Category: | Catchwords |
|  |  |
| Number of paragraphs: | 31 |
|  |  |
| Counsel for the Applicant: | Mr H P T Bevan with Ms L Thomas |
|  |  |
| Solicitor for the Applicant: | Norton Rose Fulbright |
|  |  |
| Counsel for the Respondent: | Mr N R Murray SC with Ms F St John |
|  |  |
| Solicitor for the Respondent: | Baker & McKenzie |

|  |  |
| --- | --- |
| **Table of Corrections** |  |
|  |  |
| 13 December 2018 | In [28], “s 121(1)” has been amended to “s 120(1)”. |

ORDERS

|  |  |
| --- | --- |
|  | NSD 2071 of 2018 |
|   |
| BETWEEN: | FAIRFAX MEDIA PUBLICATIONS PTY LIMITED ACN 003 357 720Applicant |
| AND: | NETWORK TEN PTY LIMITED ACN 052 515 250Respondent |

|  |  |
| --- | --- |
| JUDGE: | YATES J |
| DATE OF ORDER: | 11 DECEMBER 2018 |

THE COURT NOTES THAT:

1. The respondent undertakes to the Court and to the applicant, without any admissions, that, whether acting by its directors, officers, servants or agents, or any of them or otherwise, it will not use or authorise the use, after 21 December 2018, of:
	1. BOSS, as a trade mark, on or in relation to goods or services (**Registered Goods or Services**) the subject of Australian Trade Mark Registration 1699350 (**Registration**);
	2. the marks subject of Australian Trade Mark Applications numbered 1936936, 1960872, 1966751, 1966750, and 1966903, as a trade mark, on or in relation to the Registered Goods or Services; or
	3. any mark or sign, as a trade mark, which is substantially identical with or deceptively similar to BOSS or the marks identified in sub-paragraph (b) above on or in relation to the Registered Goods or Services,

during the term of the Registration, without the licence or authority of the registered owner of the Registration or an authorised sub-licensor.

THE COURT ORDERS THAT:

1. The respondent pay the applicant’s costs of and incidental to the application for interim injunctive relief.
2. The matter be listed for a case management hearing on 7 February 2019 at 9.30 am.

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

REASONS FOR JUDGMENT

(Revised from transcript)

YATES J:

1. The applicant, Fairfax Media Publications Pty Limited (**Fairfax**), commenced proceedings seeking interim injunctive relief against the respondent, Network Ten Pty Limited (**Network Ten**), for alleged infringement of registered trade mark 1699350 under s 120(1) of the *Trade Marks Act 1995* (Cth) (the **Act**). The mark comprises the word BOSS registered in classes 9, 16, 35, 38 and 41 (the **BOSS mark**) including in respect of class 41:

… education, news, recreation, cultural and entertainment services; including the provision of such services electronically, by means of computers, computer networks, the Internet, wireless networks, national and international telecommunications networks, electronic devices and television convergent devices …

1. The event which provoked the commencement of proceedings is Network Ten’s re-branding, on 31 October 2018, of its secondary television channel ONE to 10 BOSS. Fairfax’s claim for interim injunctive relief was heard on 3 December 2018. At the conclusion of the hearing I reserved the Court’s judgment.
2. At the hearing, Network Ten offered certain undertakings on a without admissions basis. The undertakings were that pending final determination, or other resolution of the proceeding, in which Fairfax also seeks relief for alleged contraventions of ss 18 and 29(1)(h) of the **Australian Consumer Law** (Sch 2 of the *Competition and Consumer Act 2010* (Cth)), it would not use BOSS in respect of a channel name unless it is immediately preceded by the numeral “10”, or certain logo forms of 10 BOSS, unless those forms are registered as trade marks in the Register of Trade Marks kept under s 207 of the Act.
3. In this latter connection, Network Ten has applied for the registration of various trade marks, which include:
	1. TEN BOSS (trade mark application 1936936);
	2. 10 BOSS (trade mark application 1960872);
	3.  (trade mark application 1966750);
	4.  (trade mark application 1966751); and
	5.  (trade mark application 1966903).
4. The trade mark applications include registration for services in class 41.
5. Network Ten’s then proffered undertaking covered the logo forms in (c) and (d), but not (e).
6. In the application for interim relief, Network Ten did not dispute that it uses or has used, as a trade mark, each of the marks listed in [4](a) to (e) above. Indeed, its trade mark applications can only be supported by a present intention to use, or authorise others to use, each of the marks in question: see s 27(b)(i) and (ii) of the Act. (There is no evidence that Network Ten proposes to assign the marks as contemplated by s 27(b)(iii) of the Act.) Further, for the purposes of the application for interim relief, Network Ten accepted that its trade mark use is or has been in respect of the services in class 41 for which the BOSS mark is registered.
7. Network Ten did not dispute that Fairfax’s evidence adduced at the hearing for interim relief established a prima facie case of infringement of the BOSS mark. Network Ten submitted, however, that Fairfax’s case for infringement was weak; that it (Network Ten) had a potential defence under s 122(1)(f) of the Act, and, possibly, under s 122(1)(b)(i) should it be found that it uses or has used the mark BOSS alone; and that the balance of convenience was against the granting of the interim relief that was sought, which was to restrain Network Ten from using the BOSS mark, and each of the marks listed in [4](a) to (e) above or any other mark or sign which is substantially identical with or deceptively similar to those marks.
8. At approximately 2.00 pm on 10 December 2018, a communication was sent to my Associate advising that Network Ten had made the decision to cease using 10 BOSS as a channel name as from the end of 21 December 2018. The communication included a form of undertaking which Network Ten was prepared to give. The undertaking covered the period of Fairfax’s registration of the BOSS mark. The communication also included a request that the proceeding be re-listed as soon as possible. As a consequence, the proceeding was re-listed for 10.00 am this morning, 11 December 2018.
9. I record that in the absence of the proposed undertaking being proffered, I would have been in a position to give the Court’s judgment on Fairfax’s claim for interim injunctive relief with written reasons by close of business tomorrow, 12 December 2018. The effect of the undertaking now proffered, if accepted, would be to bring to an end any contest about whether an injunction, interim or permanent, should be granted to restrain the alleged infringement of the BOSS mark. What would remain is determination of whether Network Ten has infringed the BOSS mark, and whether Network Ten has contravened the Australian Consumer Law—and if so, in either case, what pecuniary relief should be granted.
10. If accepted, the undertaking now proffered would permit Network Ten to continue to use the impugned marks up to, and including, 21 December 2018, a further period of 10 days. Fairfax has questioned why this period is necessary, because its understanding is that Network Ten has already publicly changed the channel name, and communicated that fact by social media.
11. As I have said, in the absence of the proposed undertaking now proffered, I would have been in a position to give the Court’s judgment on Fairfax’s claim for interim injunctive relief by close of business tomorrow. Had I been persuaded to grant interim injunctive relief restraining Network Ten’s use of the impugned marks, the effect would have been to prevent Network Ten from using 10 BOSS as a channel name. I would have accepted that such a change was not only possible, but could be effected within a period of days. The fact that a change has been made within five business days of the hearing of the claim for interim injunctive relief demonstrates that fact. The period of 10 days is perhaps longer than I would have envisaged, but not outside the bounds of what would be reasonable and practicable, given that in the changeover phase there may still be use of the impugned marks in publicising the change to the new channel name.
12. For these reasons, I am persuaded that it is appropriate that the Court accept the undertaking now proffered. Further, that undertaking should be accepted rather than proceeding to give judgment on Fairfax’s claim for interim injunctive relief.
13. The question of the costs of the application for interim relief remain to be determined. Fairfax submits that it should have its costs of and incidental to the application. It submits that Network Ten has, in substance, capitulated in the face of its (Fairfax’s) claims, and that the undertaking now proffered could have been given at an earlier time. Network Ten submits that it should not have to bear the costs of the application insofar as those costs are referrable to Fairfax’s claim for interim injunctive relief in respect of the alleged contraventions of the Australian Consumer Law. These claims were not pursued at the hearing on 3 December 2018. Network Ten says that it prepared its case on the basis that those claims would be pursued, and was only informed of the fact that they would not be pursued when arriving at court that morning.
14. In order to consider this question, it is necessary for me to recite a number of background facts.
15. On 31 October 2018, Network Ten launched the new branding for its network and entertainment services. As I have noted, this new branding involved the re-branding of ONE to 10 BOSS. According to Ms McGarvey, who was Network Ten’s Chief Content Officer, Network Ten’s re-branding strategy was to “reinvent the modern, bold, cheeky and fresh Network 10 of the past and create a unified brand image under a single ‘10’ banner”. (The use of “Network 10” to abbreviate the respondent’s corporate name appears to have been an editorial choice used in the drafting of Ms McGarvey’s affidavit.) Network Ten’s re-branding was part of a broader strategy to re-build its position in the Australian television industry following a period of external administration. Ms McGarvey said that Network Ten wanted to achieve a single brand architecture for its suite of entertainment services, with the aim of linking all its entertainment services through the common element “10”, which she understood to be an element that was well-known and recognisable to consumers. She said that Network Ten’s aim is to create a family of marks that share a single, recognisable numeral “10” element.
16. To this end, Network Ten re-branded its entire suite of entertainment offerings, including its primary channel, its digital channels, the 10 Play website, 10 Play app, the 10 Daily website, its digital news service and various program logos, including for the programs Studio 10 and 10 News First. Ms McGarvey illustrated this re-branding in her affidavit, by the following depiction:



1. Ms McGarvey’s evidence was that Network Ten’s re-branding and development process had been completed, and Network Ten had settled on the adoption of 10 BOSS as a channel name, prior to 22 August 2018. I mention this date because it is the date on which a meeting took place between Ms Gough, who was employed by Fairfax as Senior Legal Counsel, and Mr Thomas, who was the General Counsel and Company Secretary of Network Ten. The meeting was arranged at Network Ten’s instigation through Mrs Webb-Sear, who was Network Ten’s Chief Financial Officer. The meeting was arranged to discuss “a trade mark matter”.
2. At the meeting, Mr Thomas informed Ms Gough that Network Ten was thinking of re-branding ONE. He showed Ms Gough a copy of the 10 BOSS trade mark in logo form. Mr Thomas asked whether Fairfax would be “open to co-existence”, noting that the re-branded channel would have “sports orientated programming, predominantly male skewed and generally light entertainment”, which would “not focus on business content”. Prior to this meeting, Network Ten had already filed trade mark application 1936936 (see [4](a) above), but Mr Thomas did not inform Ms Gough of this fact. At the meeting Mr Thomas also raised what was then the proposed merger between Fairfax and Nine Entertainment Company Holdings Limited (**Nine Network**). At the time, this merger was to proceed by way of scheme of arrangement. The Court has now given its approval to the scheme under s 411(4) of the *Corporations Act 2001* (Cth): *Fairfax Media Limited; in the matter of Fairfax Media Limited (No 2)* (2018) FCA 1930.
3. Fairfax wanted to retain its exclusive use of the word BOSS as a trade mark. On 30 August 2018, Ms Gough sent Mr Thomas an email in which she said:

It was a pleasure to meet you last week –

Since then I’ve spoken with our key stakeholders regarding BOSS and there is strong agreement that a co-existence would not be possible.

BOSS is a powerful, distinctive brand for Fairfax and we’re committed to it for all services and in all formats: print, digital and in association with events. It’s been used in these contexts consistently and exclusively by Fairfax for several years.

There is concern that Ten’s proposed use would create a confusing message in the market and, equally, we’re mindful that Nine would likely have a strong interest in maintaining the BOSS brand, if the proposed merger goes ahead.

Please feel free to call me if you want to discuss –

Linda

1. Neither Mr Thomas nor anyone else at Network Ten responded to Ms Gough’s email. Ms Gough’s evidence was that, having sent the email, she assumed that that “would be the end of the matter”, and that “no further action was required”. However, this proved not to be the case. On 22 October 2018, Ms Gough became aware of an article published by Ad News which said that Network Ten was considering re-branding ONE and ELEVEN to 10 Boss and 10 Peach, respectively. The article also stated that Network Ten had filed a trade mark application for TEN BOSS, which had been “approved”. In her affidavit Ms Gough expressed surprise that Network Ten was considering using TEN BOSS, because nothing in her conversations with Mr Thomas indicated that the re-branding of ONE was imminent or that Network 10 was intending to file, or had filed, a trade mark application for TEN BOSS. After reading the article, Ms Gough conducted a trade mark search which confirmed the filing of trade mark application 1936936. Her search revealed that the application had been accepted, but had not been advertised as accepted. This meant that the time for filing an opposition to the application for registration had not commenced. It also meant that absent an acceptance being advertised, Fairfax could not even file a notice of opposition. Nonetheless, on 22 October 2018, Ms Gough commenced preparations to oppose the registration of the mark applied for.
2. Between 24 October 2018 and 31 October 2018, Ms Gough began formulating a letter to put Network Ten on notice of Fairfax’s statutory rights in relation to the BOSS mark, and to ask Network Ten to withdraw its trade mark application.
3. On 25 October 2018, Ms Gough became aware of an article published on the Bandt website. The article referred to Network Ten’s application for the TEN BOSS trade mark. It also reported that, on 11 September 2018, Network Ten had applied for registration of the trade mark 10 Peach. The article said that Network Ten had been contacted for comment, but had “remained coy on revealing any news before its upfronts on 31 October.” (An “upfront” is an annual event to showcase upcoming television content to advertisers and advertising agencies.)
4. On 1 November 2018, Ms Gough became aware of an article published on the Mumbrella website. The article reported that, at its upfront on the evening of 31 October 2018, Network Ten had revealed its re-branding, including its re-branding of ONE to 10 BOSS. Ms Gough said that this was the first time she became aware that Network Ten had in fact launched its re-branding of ONE to 10 BOSS.
5. On 1 November 2018, Fairfax’s solicitors sent a letter of demand to Network Ten, demanding that Network Ten cease use of the 10 BOSS mark, including in the logo form that had been announced at the launch on 31 October 2018. On 2 November 2018, Network Ten’s solicitors responded on its behalf, rejecting Fairfax’s claims and stating that Network Ten did not intend to cease using either of the marks complained of.
6. Ms McGarvey acknowledged in her evidence that she was aware of the discussions between Mr Thomas and Ms Gough. She was also aware that Fairfax objected to Network Ten’s proposed use of 10 BOSS. She also received a copy of Ms Gough’s email of 30 August 2018, on the day it was sent. Ms McGarvey said that she regarded Fairfax’s views, as communicated in Ms Gough’s email, as “misguided”, because she had a high degree of confidence that the “10” element in 10 BOSS was clearly identifiable with Network Ten.
7. That position continued to be advanced at the hearing of Fairfax’s claim for interim injunctive relief. The existence of a significant reputation in the numeral “10” and the word “TEN” was front and centre of Network Ten’s case that there was no real, tangible danger of trade mark deception or confusion occurring through its use of the impugned marks. It also relied on evidence which Fairfax had adduced concerning the way in which the BOSS mark had been used. Indeed, in its evidence, Network Ten emphasised the manner in which Fairfax had used the BOSS mark which, Ms McGarvey argued, addressed a targeted or niche audience of “highly-educated, wealthy executives with high disposable incomes and who are specifically interested in business and leadership matters”. She argued that this cohort was “highly differentiated” and “starkly different to the broad demographics of the audience that [the] 10 BOSS channel aspires to attract”. She argued that “there is no risk of any cross-over or market confusion.”
8. Network Ten submitted that, in undertaking a trade mark comparison between an impugned mark and a registered trade mark in the context of infringement under s 120(1) of the Act, it is appropriate to take into account the reputation of the impugned mark, but not the reputation of the registered mark. That, it seems to me, raises a novel proposition of trade mark law. The correctness of that proposition may yet fall for determination in this case, but it does not fall for determination at the present time, because—as I have said—I am persuaded that the Court should accept the undertaking now proffered.
9. I am also persuaded that Network Ten should bear the costs of and incidental to Fairfax’s claim for interim injunctive relief. The recently proposed undertaking was proffered belatedly, with the effect that costs have been unnecessarily incurred. These costs could have been completely avoided had Network Ten adopted its present position on 1 November 2018, or shortly thereafter, when Fairfax’s solicitors sent the letter of demand. The legal position on 10 December 2018 was no different than it was on 1 November 2018. All that has changed, apparently, is Network Ten’s commercial position. Fairfax should not bear the costs of that change.
10. I am not persuaded that it is appropriate that costs be apportioned as Network Ten argued this morning. For one thing, Network Ten relied heavily on Fairfax’s evidence of use to assist its case on reputation in the context of trade mark infringement. Further, evidence of its use of the BOSS mark was also relevant to the context and setting in which Fairfax argued the trade mark comparison in the present case should be considered, and to considerations affecting an assessment of the balance of convenience. It would be impossible to disentangle the deployment of Fairfax’s evidence of its use of the BOSS mark for these purposes from its potential deployment to support a case of contravention of the Australian Consumer Law. In any event, as I have said, Network Ten relied on Fairfax’s evidence of use of the BOSS mark in support of its own case on the question of trade mark infringement.
11. I therefore accept the undertaking which has been proffered. I will make an order that the respondent pay the applicant’s cost of and incidental to the application for interim injunctive relief.

|  |
| --- |
| I certify that the preceding thirty-one (31) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Yates. |

Associate:

Dated: 11 December 2018