

**Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd - [2007]  
FCAFC 70**

---

#### Attribution

Original court site URL:	<a href="http://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/full/2007/2007fcafc0070/2007FCAFC0070.doc">http://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/full/2007/2007fcafc0070/2007FCAFC0070.doc</a>
Content retrieved:	January 27, 2011
Download /print date:	August 28, 2025

## FEDERAL COURT OF AUSTRALIA

### **Cadbury Schweppes Pty Ltd (ACN 004 551 473) v Darrell Lea Chocolate Shops Pty Ltd (ACN 000 498 386) [2007] FCAFC 70**

EVIDENCE – Admissibility of opinion evidence – not admissible unless opinion based on specialised knowledge – whether rule excluding opinion evidence as to matter of common knowledge is applicable – operation of s [80 Evidence Act 1995 \(Cth\)](#) (‘the Act’) - requirement to consider probative value of opinion evidence – whether evidence might cause or result in undue waste of time – discretion to exclude evidence under s [135 the Act](#).

TRADE PRACTICES – competitors in retail chocolate market – use of colour purple – principles relating to passing off – whether exclusive reputation required under Part V [Trade Practices Act 1974 \(Cth\)](#) – whether use of colour purple likely to mislead or deceive consumers

*Federal Court of Australia Act 1976 (Cth)*, s 28(1)(f).  
*Evidence Act 1995 (Cth)*, ss 55(1), 56(1), 76(1), 79, 80, 135.  
*Trade Practices Act 1974 (Cth)*, Part V

*Cat Media Pty Ltd v Opti-Healthcare Pty Ltd* [2003] FCA 133, cited  
*Domain Names Australia Pty Ltd v .au Domain Administration Ltd* [2004] FCAFC 247,  
cited  
*Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705, cited  
*Reckitt and Colman Products Ltd v Borden Inc* (1990) 17 IPR 1, cited  
*Transport Publishing Co Pty Ltd v The Literature Board of Review* (1956) 99 CLR 111,  
cited

The Law Reform Commission, *Evidence, Interim Report*, No. 26 (1985), [743]

**CADBURY SCHWEPPE'S PTY LTD (ACN 004 551 473) v DARRELL LEA  
CHOCOLATE SHOPS PTY LTD (ACN 000 498 386)**

**VID774 OF 2006**

**BLACK CJ, EMMETT & MIDDLETON JJ  
21 MAY 2007  
MELBOURNE**

**IN THE FEDERAL COURT OF AUSTRALIA**

**VID774 OF 2006**  
**VICTORIA DISTRICT REGISTRY**

**ON APPEAL FROM A SINGLE JUDGE OF THE FEDERAL COURT OF AUSTRALIA**

**BETWEEN:** **CADBURY SCHWEPPE'S PTY LTD (ACN 004 551 473)**  
**Appellant**

**AND:**

**DARRELL LEA CHOCOLATE SHOPS PTY LTD**  
**(ACN 000 498 386)**  
**Respondent**

**JUDGES:** **BLACK CJ, EMMETT & MIDDLETON JJ**

**DATE OF ORDER:** **21 MAY 2007**

**WHERE MADE:** **MELBOURNE**

**THE COURT ORDERS THAT:**

1. The appeal be allowed.
2. The orders of the Court made on 27 April 2006 and 6 July 2006 be set aside.
3. The matter be remitted to the trial judge for further hearing.
4. The parties within 14 days file and serve written submissions to the Court on the question of the costs of the appeal.

Note: Settlement and entry of orders is dealt with in Order 36 of the Federal Court Rules.

**IN THE FEDERAL COURT OF AUSTRALIA**

**VICTORIA DISTRICT REGISTRY**

**VID774 OF 2006**

**ON APPEAL FROM A SINGLE JUDGE OF THE FEDERAL COURT OF AUSTRALIA**

**BETWEEN:** CADBURY SCHWEPPE'S PTY LTD (ACN 004 551 473)  
Appellant

**AND:** DARRELL LEA CHOCOLATE SHOPS PTY LTD  
(ACN 000 498 386)  
Respondent

**JUDGES:** BLACK CJ, EMMETT & MIDDLETON JJ

**DATE:** 21 MAY 2007

**PLACE:** MELBOURNE

## **REASONS FOR JUDGMENT**

### THE PROCEEDING

### THE QUESTIONS IN THE APPEAL

### PRIMARY QUESTION: ADMISSIBILITY OF THE DISPUTED EVIDENCE

#### The Evidence Act

#### Cadbury's Case Before the Primary Judge

#### Dr Gibbs' Evidence

#### Relevant Basic Principles and Background Issues

1. The Brand Concept And Brand Equity:
2. Nature And Storage Of Brand Associations In Memory:
3. Role of Packaging as a Marketing Communication:
4. Importance and Impact of Colour:
5. Convenience Goods and Consumer Involvement:

#### The Cadbury and Darrell Lea Brands

#### The Consumer Information-Processing Errors

#### The Primary Judge's Ruling on Admissibility

#### The Primary Judge's Reference to Section 135

## SECONDARY QUESTION: WHETHER DARRELL LEA'S USE OF PURPLE REPRESENTED AN ASSOCIATION BETWEEN CADBURY AND DARRELL LEA

### The Primary Judge's Findings

### Contentions on Appeal

### NEW TRIAL

### Need For Exclusivity

### Weight of the Disputed Evidence

### Conclusion As To New Trial

### COSTS

### CONCLUSION

## **THE PROCEEDING**

1. The appellant, Cadbury Schweppes Pty Ltd (Cadbury), claims that the use by the respondent, Darrell Lea Chocolate Shops Pty Ltd (Darrell Lea), of a shade of purple in connection with its chocolate confectionary business has the consequence that consumers might mistakenly conclude that Darrell Lea products are Cadbury products or that there is some connection between the respective chocolate confectionary businesses of Darrell Lea and Cadbury. Cadbury says that, therefore, by such use of purple, Darrell Lea has engaged in conduct that is misleading and deceptive, in contravention of provisions of Part V of the *Trade Practices Act 1974 (Cth)* (the *Trade Practices Act*). Cadbury also says that Darrell Lea's conduct constitutes passing off of its chocolate confectionary business and products as a business or products of, or connected or associated with, Cadbury.
2. On 27 April 2006, a judge of the Court ordered that Cadbury's claims be dismissed. On 6 July 2006 the primary judge made orders for costs, including an order that Cadbury pay certain of Darrell Lea's costs of the proceeding on an indemnity basis. Cadbury has appealed to the Full Court from all of those orders.

## **THE QUESTIONS IN THE APPEAL**

3. The principal question in the appeal is whether the primary judge erred in refusing, on 31 March 2006, in the course of the trial, to admit certain evidence (the disputed evidence) that Cadbury sought to adduce from:
  - Brian John Gibbs, Associate Professor of Marketing and Behavioural Science in the Melbourne Business School at the University of Melbourne;
  - Constantino Stavros, Senior Lecturer in the School of Economics, Finance and Marketing of RMIT University, Melbourne; and
  - Timothy Raymond Riches, the managing director of FutureBrand FHA Pty Ltd, a branding and design consultancy within the world's largest marketing services group.
4. The primary judge characterised the issues in the proceeding as being concerned with the making of consumer decisions for the purchase of items of commerce, namely, chocolate. His

Honour considered that those issues are not outside the knowledge or experience of ordinary persons. His Honour found that the disputed evidence consisted of opinions as to the knowledge or experience of ordinary persons and, accordingly, held that, as a matter of law, the disputed evidence was not admissible. Cadbury says that his Honour erred in making that ruling.

5. In relation to Dr Gibbs' evidence, his Honour also concluded that, even if the evidence were admissible, his Honour would have refused to admit it under s 135 of the *Evidence Act 1995 (Cth)* (the *Evidence Act*), because its probative value was substantially outweighed by the danger that it might cause or result in undue waste of time. Cadbury says that any such rejection would have involved a miscarriage of the discretion conferred by the *Evidence Act*. His Honour expressed no such view in relation to the evidence of Mr Stavros and Mr Riches: it was not necessary for his Honour to do so, having concluded that the disputed evidence was not admissible.
6. The primary judge ultimately held, on the basis of the evidence that his Honour admitted, that the use of purple by Darrell Lea did not convey to the reasonable consumer the idea that its business or its products have some connection with Cadbury. A nominal secondary question in the appeal is whether the primary judge erred in that conclusion.
7. Cadbury asks, if it succeeds on the principal question, that there be a new trial. If it fails on the principal question but succeeds on the secondary question, Cadbury asks the Full Court to grant appropriate relief. It is convenient to deal with the evidentiary question first.

## PRIMARY QUESTION: ADMISSIBILITY OF THE DISPUTED EVIDENCE

### The *Evidence Act*

8. Under s 56(1) of the *Evidence Act*, except as otherwise provided by that Act, evidence that is **relevant in a proceeding** is admissible in the proceeding. Section 55(1) relevantly provides that evidence that could rationally affect the assessment of the probability of the existence of a fact in issue in a proceeding is relevant in that proceeding. It is not disputed that the disputed evidence was relevant in the proceeding.

#### 9. Following paragraph cited by:

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* (05 July 2018)  
(Murphy, Gleeson and Markovic JJ)

50. Homart did not suggest that the primary judge failed to recognise the potential significance of the absence of any evidence of confusion. His Honour did so at [33], citing *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)* [2006] FCA 446; (2006) 69 IPR 23 at [81]. Rather, Homart contended that the primary judge erred in failing to have regard to the absence of any evidence of confusion experienced by consumers familiar with the "CHANTELLE" branded product (being the language of the Full Court in *Cadbury* set out at [9] above).

Section 76(1) of the **Evidence Act** otherwise provides that evidence of an opinion is not admissible to prove the existence of a fact about the existence of which the opinion was expressed. That principle is defined as **the opinion rule**. However, under s 79 of the **Evidence Act**, if a person has specialised knowledge, the opinion rule does not apply to evidence of an opinion given by that person about the existence of **a fact in issue** that is wholly or substantially **based on** that knowledge. The specialised knowledge, however, must be based on the person's training, study or experience. Section 80(b) relevantly provides that evidence of an opinion is not inadmissible only because it is a matter of common knowledge.

10. **Following paragraph cited by:**

**Rees v Lumen Christi Primary School** (16 June 2010) (Robson J)

46. The task of a court in applying s 135 has been described as a “balancing exercise”<sup>[35]</sup>. It is one where the probative value must be weighed against several dangers. I find that Professor Tronc’s evidence would have little probative value, even if admissible. <sup>[36]</sup> I find it is substantially outweighed by the danger that his evidence might be “misleading or confusing” to the jury.

*via*

<sup>[36]</sup> **Ibid**, at [10] per Black CJ, Emmett and Middleton JJ: “probative value of evidence means the extent to which the evidence could rationally affect the assessment of the probability of the existence of a fact in issue.”

However, even if particular opinion evidence is not excluded by the operation of the opinion rule, the Court has an overriding discretion under s 135 of the **Evidence Act** to refuse to admit evidence in certain circumstances. In particular, the Court may do so if the probative value of the evidence is substantially outweighed by the danger that the evidence might cause or result in undue waste of time. For the purposes of the **Evidence Act**, probative value of evidence means the extent to which the evidence could rationally affect the assessment of the probability of the existence of a fact in issue.

**Cadbury’s Case Before the Primary Judge**

11. The disputed evidence consists of opinions about the existence of facts in issue in the proceeding. Darrell Lea contends that the relevant facts in issue are as follows:

- Cadbury had exclusive repute in the colour purple;
- Darrell Lea, by its use of the colour purple, represented that its products originate from or are associated with Cadbury.

12. In order to place the disputed evidence in its context, it is necessary to explain the case that Cadbury wished to mount against Darrell Lea. Essentially, Cadbury claimed an exclusive association with a colour purple in connection with the marketing of its products in



Australia. Cadbury says that Darrell Lea has used Cadbury's colour purple for its own benefit so as to convey to reasonable consumers a representation that its products originated from or are associated with Cadbury.

13. The relevant allegations in the statement of claim concerning Cadbury's association with the colour purple may be summarised as follows:

- Since approximately 1985, Cadbury has, in and throughout Australia, promoted the colour Cadbury Purple in such a manner as to lead the Australian public to associate the colour Cadbury Purple with:
  - (a) Cadbury chocolate confectionary products;
  - (b) Cadbury; and/or
  - (c) the name "*Cadbury*".
- Since 1995 at the latest, the colour Cadbury Purple:
  - (a) constituted a separate component of the Cadbury trade indicia;
  - (b) has created an association among the Australian public separate from the name Cadbury in distinctive cursive script and the depiction of a glass and a half of full cream milk;
  - (c) signified and distinctively indicated to the Australian public, Cadbury;
  - (d) signified and distinctively indicated to the Australian public, that the source of chocolate confectionary sold by reference to the colour Cadbury Purple was Cadbury;
  - (e) caused the Australian public to recall Cadbury chocolate confectionary products, Cadbury and/or the name "*Cadbury*".
- Accordingly, by no later than 1995 Cadbury had achieved a substantial, exclusive and valuable reputation and goodwill throughout Australia in the colour Cadbury Purple.

14. The allegations that are made in the statement of claim concerning the alleged conduct of Darrell Lea may be summarised as follows:

- Since approximately mid to late 2001, Darrell Lea has, in the signage, badging, wrapping, store fit-out and point of sale facilities used in the conduct of the Darrell Lea chocolate confectionary business, utilised consistently and regularly a colour purple bearing a striking and obvious likeness to the colour Cadbury Purple.

- By reason of that utilisation, Darrell Lea has, since approximately mid to late 2001, wrongfully appropriated and converted for its own use in the Darrell Lea confectionary business, Cadbury's reputation and goodwill in the colour Cadbury Purple.
- By reason of the above matters, Darrell Lea has since approximately mid to late 2001 made and continues to make the following representations, or one or more of them, in trade or commerce:
  - (a) that Darrell Lea chocolate confectionary products were and are offered for sale with the licence of Cadbury;
  - (b) that Darrell Lea chocolate confectionary products were and are offered for sale with the sponsorship of Cadbury;
  - (c) that Darrell Lea chocolate confectionary products were and are offered for sale with the approval of Cadbury;
  - (d) that Darrell Lea chocolate confectionary products enjoy a connection and/or affiliation with Cadbury;
  - (e) that Darrell Lea has entered into an association /arrangement with Cadbury;
  - (f) that Darrell Lea has sought and obtained the endorsement of Cadbury.
- Each of those representations is false or alternatively misleading or deceptive.
- By reason of those representations consumers have been, and continue to be misled and deceived or likely to be misled or deceived into purchasing Darrell Lea chocolate confectionary product in circumstances where, but for Darrell Lea's misrepresentations, they would have purchased Cadbury chocolate confectionary.

15. The written outline of argument provided by Cadbury to the primary judge at the beginning of the hearing said that Dr Gibbs would say that Darrell Lea's use of the colour purple in marketing and sales activities referable to its confectionary business is likely to cause four **consumer information-processing errors**. The consumer errors were identified as:

- misidentification;
- miscuing;
- misinference;
- misassociation.

16. The outline said that Dr Gibbs would say, in particular, that misassociation would occur where consumers mistakenly link Cadbury brand associations with Darrell Lea, and vice

versa, as a result of the two brands' **associative networks** having become connected in consumers' minds, through the common use of purple. Dr Gibbs would say that he believed misassociation was the most significant of the consumer errors in terms of impact on consumers and impact on Cadbury. Dr Gibbs would also refer to errors that might be made by retailers and investors and even Cadbury employees by reason of Darrell Lea's use of purple. Finally, he would say that the continued use of purple by Darrell Lea was likely to reduce the distinctiveness of Cadbury's products.

17. The outline summarised Mr Riches' evidence as being that Darrell Lea's use of the colour purple in the marketing of its products allowed it to take advantage of the positive associations that Cadbury had attached to the colour purple in the context of chocolate confectionary. The outline also summarised the position of Mr Stavros as being that the potential damage to Cadbury by reason of Darrell Lea's use of purple was enormous and would undoubtedly weaken the marketing position of Cadbury.
18. In the course of his oral opening, senior counsel for Cadbury stated that the case was concerned primarily with the colour purple. He said that the purple in question was Pantone 2685C, a colour identified in an annexure to Cadbury's statement of claim. Senior counsel went on to say that, for all sorts of reasons associated with the mass manufacturing of goods and the surface on which printing takes place, it is not always possible to strike exactly the desired Pantone. Hence, Cadbury claimed relief in respect of Pantone 2685C and Pantones that are very close to it, each of which was also identified in the annexure to Cadbury's statement of claim. He asserted that Darrell Lea is in fact using colours that are identical with, or very close to, Pantone 2685C.

### **Dr Gibbs' Evidence**

19. On the fifth day of the trial, Cadbury sought to adduce evidence from Dr Gibbs. Dr Gibbs' evidence in chief was to be by affidavit sworn on 23 November 2005. He was also to give evidence in reply by another affidavit. Following objection by Darrell Lea and oral argument, the primary judge rejected the evidence of Dr Gibbs in its entirety. Before explaining his Honour's reasons for that ruling, it is necessary to describe Dr Gibbs' proposed evidence in some detail.
20. After recounting his qualifications and instructions, Dr Gibbs' principal affidavit provided an executive summary of his conclusions. In essence, the summary was as follows:
  - Cadbury has deliberately and consistently used the colour purple as a key branding element for its Cadbury Dairy Milk brand and its corporate Cadbury brand since at least the late 1980s. As a result, the colour purple is strongly associated with the Cadbury brand. Purple signifies the Cadbury brand to consumers. Purple is an activator of Cadbury's brand equity and is a brand element of considerable value to Cadbury.
  - Darrell Lea's use of purple is likely to cause four information processing errors to occur among consumers of chocolate confectionary as follows:

- Darrell Lea has recently made significant use of purple in relation to packaging and point of sale displays. It has done so at the same time as it has focussed on a new distribution strategy that goes beyond its traditional dedicated shops and seeks to take advantage of convenience distribution channels.
- Misidentification, where consumers seeking to buy Cadbury chocolate mistakenly identify a Darrell Lea product as a Cadbury product and therefore buy the Darrell Lea product by mistake.
- Miscuing, where consumers use purple as a spurious cue in decision making and choice. In that capacity, the colour can function as a decision-heuristic cue, an operant-conditioning cue or a behaviour-instigating cue.
- Misinference, where consumers, in trying to make sense of the common use of purple by Darrell Lea and Cadbury, draw mistaken inferences about one or both of the brands.
- Misassociation, where consumers mistakenly link Cadbury brand associations with Darrell Lea, and vice versa, as a result of the two brands' associative networks having become connected in consumers minds through the common use of purple.
- Darrell Lea's use of purple had two further effects as follows:
  - Errors analogised to misinference and misassociation may be made by retailers, investors and Cadbury employees.
  - The use of purple by Darrell Lea is likely to reduce the perceptual distinctiveness of Cadbury products.

The first two points, concerning the respective uses of purple by Cadbury and Darrell Lea, could only be assumptions made by Dr Gibbs, since there was no evidence that he had any direct knowledge of those matters.

21. A number of detailed sections followed the executive summary. In those sections, Dr Gibbs expressed the opinions that Cadbury wishes to have admitted as evidence of the facts to which they relate.

### ***Relevant Basic Principles and Background Issues***

22. First, the affidavit dealt with general marketing concepts and theories under five headings. It is desirable to summarise what Dr Gibbs said about them.

#### **1. The Brand Concept And Brand Equity:**

23. In contemporary marketing theory and practice a brand is understood to be an essentially psychological entity. A brand is a set of associations in the mind of the consumer. The importance and value of a brand to its owner lies in the ability of this mentally held set of associations to influence consumer behaviour, especially information processing associated with product perception, evaluation and choice. Consumers often buy the brand rather than the product itself. The brand transcends the product in that extra dimensions have been added to the core product in order to differentiate it from other products designed to satisfy the same needs. Such differentiation may be based on tangible, rational differences related to product performance or on intangible differences of an emotional or symbolic nature related to what the brand represents. A brand can be highly valuable to its owners. The notion of the value attributable to a brand is captured by the concept of brand equity.

## 2. Nature And Storage Of Brand Associations In Memory:

24. An essential function of memory is to draw together similar experiences to enable one to discover patterns in one's interactions with the environment. Thus, memory serves to make current perceptions meaningful by relating them to knowledge that has been distilled from previous experiences. In the field of consumer behaviour, the issue of how brand associations are stored in the minds of consumers and accessed by them, as they form judgments and make decisions, is typically understood in terms of "*the associative-network model of memory*". That type of model has a long history in psychology. On that model, a brand is conceptualised as a set of nodes that represent concepts or other information stored in memory and are interconnected in a network of links. This network of nodes in memory can include a wide variety of brand associations, which are created through actual use of the branded product or through exposure to advertising or other marketing. Those networked associations comprise all the explicit or implicit pieces of knowledge that the consumer retains about the brand.
25. Brand associations are formed in the mind of a consumer through a process of learning. However, not all such consumer learning is conscious. A key feature of associative-network models is the concept of spreading activation. Nodes vary in their activation levels, with some nodes having more activation and others having less at any given moment. A node is activated when the consumer perceives a stimulus or cue corresponding to that node. The extent to which activation spreads between two nodes depends on how closely they are linked in the associative network. The associative network conceptualisation of brands has two particularly important marketing implications as follows:
- The complex amalgam of activated nodes in a consumer's associative network for a particular brand is what constitutes the brand's meaning or image for that consumer and is the basis for the brand's brand equity. It is therefore a crucial responsibility of brand management to maintain control over what associations become linked into the brand's network.
  - Because typically only a subset of nodes in a brand's network is activated at once, a brand's meaning or image is not fixed, even for a given consumer, but varies with the cues or activators present in the specific context. This context sensitivity of brand meaning creates the potential for the strategic activation of specific portions of the associative network, and a great deal of marketing effort can be

understood as being directing at activating some portions of the network and not activating others. However, certain nodes in a brand's network, by virtue of being easily and strongly cued or closely linked to many other nodes in the network, can serve as "*primes*" or "*triggers*" to prompt consumers to retrieve a full range of brand associations. A major responsibility of marketing management and practice, therefore, is to establish such primes or triggers, often in the form of tangible brand elements, such as names, logos, symbols, slogans, signage and packages.

### 3. Role of Packaging as a Marketing Communication:

26. Brand elements, along with other distinctive aspects of product form and packaging, such as colour, can be powerful cues for the activation of the set of associations linked to a brand. Exposure to such brand elements generally triggers recall of the brand's attributes and benefits as well as stored attitudes and emotions associated with the brand as a result of the consumer's exposure to past promotion, purchase and use of the brand. Product form and packaging is one of the most important ways by which consumers recognise and respond to many brands. Packaging can influence consumers in at least three ways:

- by attracting attention;
- by identifying the brand;
- by conveying meaning.

These packaging influences are reinforced and leveraged by other forms of consumer contact, such as advertising and point-of-purchase displays, all of which together are considered the brand's integrated marketing communications.

### 4. Importance and Impact of Colour:

27. Colour should not be viewed as just a trivial element of package design or of marketing communications more generally. The power of colour as a marketing tool is considerable and marketers make heavy use of colour. Colour can have very basic effects on information processing, even at a sensory or physiological level. Thus, colour can affect the subjective sensation of temperature and can also affect time perception. Colour has a special status in visual information processing because colour, as a basic visual feature, is perceived automatically, prior to the allocation of focal attention to specific locations in the visual field. Thus, consumers can register the colour of a package rapidly and effortlessly and yet not perceive the conjunction of that colour with other packaging elements, such as the brand logo.
28. Purple may have particular potency as a visual stimulus, in so far as it is a relatively uncommon colour in the environment, because:
- scarcity can signal preciousness;
  - uncommon stimuli are more conspicuous to consumers and hence have a greater potential for influencing consumer behaviour;

- uncommon stimuli will receive greater weight in the consumer's decision making process;
- uncommon stimuli may also be more useful for cueing the brand or specific brand associations.

#### 5. Convenience Goods and Consumer Involvement:

29. The majority of confectionary products sold in mainstream channels are classified by marketers and consumer behaviourists as convenience goods, which are goods usually purchased relatively frequently, immediately and with a minimum of effort. For any given consumer, it is likely that chocolate confectionary may be a routine or staple purchase on some occasions (such as buying chocolates as a regular treat for children's school lunches) and an impulse purchase on other occasions, depending on a variety of circumstances. Many categories of convenience goods are purchased by consumers under conditions of low consumer involvement, which is generally thought to reflect the degree of perceived self-relevance, be it intrinsic or situation specific, of an object to a consumer, based on the consumer's needs, values and interests. Buying behaviour for low-involvement goods often becomes somewhat habitualised and even automated.
30. Consumers rely on, and respond to, familiar brand cues within product categories and do not go through a complex process of comparison and evaluation of competing products. When involvement is lower, consumers acquire information more narrowly and rely more heavily on brands and salient brand cues to expedite product selection. For many selections made under these circumstances, the consumer actually scans the display and identifies and selects the target product at some distance from the shelf, based on recognition of the packaging of the familiar usual brand being sought. Under those circumstances, the most salient visual cues, such as package size, shape and colour, are usually the predominant stimuli upon which consumers rely to identify brands and to optimise their time spent shopping. In the context of an impulse purchase, consumers also pay rather limited attention to detail, responding more strongly to the immediacy of the most salient cues.

#### ***The Cadbury and Darrell Lea Brands***

31. Dr Gibbs' affidavit then dealt with the Cadbury brand. It did so by reference to consumer research materials provided to him by Cadbury's solicitors. Those materials consisted of some 25 separate reports that were compendiously referred to as "*Document Q*". Document Q was not in evidence. Although Cadbury sought to prove the materials in Document Q, the evidence was rejected because it was not filed in accordance with the directions given by the primary judge.
32. Dr Gibbs also included a section on the Darrell Lea brand. No particular exception seems to have been taken in relation to the material in that section.

#### ***The Consumer Information-Processing Errors***

33. The most significant and most contentious part of Dr Gibbs' principal affidavit then follows in six sections headed as follows:



·        *OVERVIEW: FOUR CONSUMER INFORMATION-  
PROCESSING ERRORS CAUSED BY DARRELL LEA’S USE OF  
CADBURY PURPLE AND RESULTING HARM TO CADBURY.*

·        *ERROR I: MISIDENTIFICATION.*

·        *ERROR II: MISCUING.*

·        *ERROR III: MISINFERENCE.*

·        *ERROR IV: MISASSOCIATION.*

·        *ADDITIONAL EFFECTS AND ISSUES*

34. Significant parts of the disputed evidence are directed to describing what Dr Gibbs perceives to be the harm to Cadbury from the errors that he describes. They describe the consequences of consumers being misled or deceived by Darrell Lea’s use of the colour purple. That was a basis of complaint by Darrell Lea.
35. Dr Gibbs began his Overview by saying that viewing the effects of Darrell Lea’s use of purple in terms of consumer information-processing errors provides a useful unifying framework for understanding those effects. He expressed the opinion that Darrell Lea’s use of purple in its marketing and sales activities is likely to cause the four errors to occur among consumers of chocolate confectionary. He explained that those four errors can be classified along two dimensions: whether they involve consumer choice or consumer judgment, and whether the relevant information processing is primarily conscious or primarily unconscious. Misidentification and miscuing relate, respectively, to conscious and unconscious processes of consumer choice. Misinference and misassociation relate, respectively, to conscious and unconscious process of consumer judgment. While some forms of those errors cannot occur simultaneously in the same consumer, the four effects are not mutually exclusive.
36. Dr Gibbs then dealt with the four consumer information processing errors, each of which he said is “*likely to result from Darrell Lea’s use of Cadbury purple*”. As indicated above, there was no evidence that Dr Gibbs had any direct knowledge of Darrell Lea’s use of purple. His understanding of that use was based on photographs provided to him by Cadbury’s solicitors. The photographs, which were in evidence, were of various Darrell Lea products as displayed in a newsagent, a tobacconist, a convenience store of some type and a store owned by Darrell Lea.
37. Dr Gibbs said that the photographs show:
- A number of Darrell Lea branded products that use significant amounts of purple in their packaging;
  - A number of other unidentified products in the shape of a flat tray or typical box of chocolates, included within Darrell Lea displays, that have been wrapped for display using purple. Often those purple wrapped boxes have been stacked in piles on display shelves, with the



effect of creating definite areas of purple as a significant feature of the overall display;

- Headboard signage for Darrell Lea that uses purple as the predominant background colour;
- Point of sale materials, cardboard displays, using purple;
- Staff uniforms, including aprons, featuring purple.

38. Dr Gibbs expressed the opinion that the use of purple by Darrell Lea, that he thus briefly describes, is likely to have the result that:

- Consumers seeking to buy Cadbury chocolate will mistakenly identify a Darrell Lea product as a Cadbury product;
- Consumers utilising purple as a cue in decision making and choice will end up purchasing Darrell Lea chocolate and not the Cadbury chocolate that the cue was based on;
- Consumers will draw mistaken inferences about the Cadbury and Darrell Lea brands that the common use of purple is cooperative and that there is some kind of corporate relationship between Cadbury and Darrell Lea;
- Consumers will mistakenly link Cadbury brand associations with Darrell Lea, and vice versa.

39. Finally, Dr Gibbs also expressed his opinion about additional effects by reason of the influence of Darrell Lea's use of purple on decision makers other than consumers. Thus, Dr Gibbs suggested that retailers may notice and react to the described potential for weakening of the Cadbury brand and business and Cadbury may consequently experience a loss of reputation and leverage in the distribution channel. Those effects appear to be further instances of harm that would be caused to Cadbury by reason of errors analogous to the four consumer information-processing errors.

### **The Primary Judge's Ruling on Admissibility**

40. On 1 March 2006, Darrell Lea gave written notice of its objections to evidence of Cadbury foreshadowed by affidavits sworn by a number of witnesses, including Roger Alexander Layton, Dr Gibbs and Messrs Stavros and Riches. While the rejection of Mr Layton's evidence is not in issue in the appeal, the objections concerning Dr Gibbs and Messrs Stavros and Riches were expressed in terms of the objections to Mr Layton's affidavit. It is necessary, therefore, to say something about those objections.
41. Mr Layton, Dr Gibbs and Messrs Stavros and Riches expressed opinions on the basis of Document Q. The objection to Mr Layton's evidence was that, generally, he had been asked to comment on research carried out by others, being the research referred to in Document Q, which had not been proved in the proceeding. The objection went on that Mr Layton had indicated that he had accepted assumptions with respect to the usage of purple as from 1998

only and yet expressed conclusions concerning conduct in Australia that predates 1998. The objection then asserted that Mr Layton had not carried out any relevant research of his own, displayed no independent knowledge of the relevant industry, other than as a personal consumer, which is not a basis for expert opinion, and expressed statements of opinion that were not “*based on any demonstrated specialised knowledge*”. Consequently, it was said, his opinion was inadmissible under s 76 or s 135 of the [Evidence Act](#). The objection then went on to say that, in so far as the opinion evidence was based upon research that had not been proved, the objection was based on the statements made by Heydon JA in [Makita \(Australia\) Pty Ltd v Sprowles](#) (2001) 52 NSWLR 705 (the *Makita Case*).

42. The same objection was made in respect of the affidavits of Messrs Stavros and Riches and Dr Gibbs. The objection in relation to Dr Gibbs went on to say that the references to unproved research reports in Document Q impacted on specific paragraphs of Dr Gibbs’ affidavit dealing with the Cadbury brand.
43. After referring to the “*argumentative nature*” of opinions expressed about Darrell Lea, the objection went on to say that none of the evidence was based on admissible studies of consumer opinion or on the opinion of any actual consumer sought to be proved in the proceeding. Yet, so the objection ran, the opinion speculatively suggested an array of adverse consequences on consumer judgment arising from Darrell Lea’s conduct, adopting the phrase “*likely to cause*”. The objection ended by referring to the commentary in Dr Gibbs’ affidavit on harm to Cadbury’s business, notwithstanding that Cadbury itself had not sought to prove any such harm.
44. Senior counsel for Darrell Lea expounded on the objection orally. The entire thrust of the oral submission was that, proof of Document Q having been rejected, much of the observations made by Dr Gibbs were based on factual material and documents that would not be in evidence in the proceeding. The material and documents, however, were said to be the foundation of Dr Gibbs’ opinions about the use of the colour purple by Cadbury and Darrell Lea.
45. Senior counsel for Darrell Lea eschewed any suggestion that there is not a speciality called marketing. The primary judge, in turn, referred to the Full Court’s decision in [Domain Names Australia Pty Ltd v .au Domain Administration Ltd](#) [2004] FCAFC 247 (the *Domain Names Case*). His Honour referred to observations in that case (at [20]) to the effect that opinion evidence sought to be adduced as to the likely characteristics of recipients might be met by the observation of the High Court, in [Transport Publishing Co Pty Ltd v The Literature Board of Review](#) (1956) 99 CLR 111 (The Transport Publishing Case), that ordinary human nature, that of people at large, is not a subject of proof by evidence, whether supposedly expert or not.
46. The primary judge also referred to the observations made by the Full Court in the *Domain Names Case* (at [21]) that market research evidence has not been received with enthusiasm in the Federal Court in recent years in certain cases. His Honour then referred to observations made by Branson J in [Cat Media Pty Ltd v Opti-Healthcare Pty Ltd](#) [2003] FCA 133, cited in the *Domain Names Case*, to the effect that evidence of opinions based on market research and expert appreciation of consumer behaviour will rarely be of assistance in litigation where the Court’s primary concern is with the behaviour to be expected of, and the judgments likely to be made by, ordinary members of the community intent on making a relatively modest purchase in a conventional way: where a claim is essentially a matter for the Court’s

impression, expert views that are merely impressionistic can be given no more than nominal weight.

47. Finally, his Honour referred to a statement in the *Domain Names Case* (at [22]) that consideration of such difficulties shows the practical wisdom of the firm rule that the likelihood of conduct being misleading or deceptive is a question for the tribunal of fact and not for any witness to decide. His Honour referred to the observations in the *Domain Names Case* (at [23]) that, while a different rule applies in the case of sales to participants in specialised markets involving persons engaged in a particular trade, that different rule would not apply in a case where the consumers in the market constitute large sections of the public rather than participants in a specialised market.
48. Senior counsel for Darrell Lea then went on to criticise statements in Dr Gibbs' affidavit as being pure speculation and not the proper subject of expert evidence. Senior Counsel asserted that Dr Gibbs had no personal knowledge relevant to the case and brought no relevant expertise. He asserted that Dr Gibbs was placed in a situation where he was venturing opinion without a proper foundation. He summarised the point in this way:

*"Our point is simply this... there is a series of assumptions which underlie the giving of this evidence which, in short, are not proved and they are the very assumptions which underscore the commentary that your Honour will read [in Dr Gibbs affidavit]... [The assumptions are] not proved and not going to be proved in the case."*

49. Following paragraph cited by:

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 9)* (31 July 2008) (Heerey J)

9. It cannot be suggested that Darrell Lea's conduct in relation to the rejection of this evidence was unreasonable or inappropriate. Indeed the critical reason for the wrongful rejection of the evidence was the failure of senior counsel on both sides, and myself, to advert to s 80 of the *Evidence Act 1995 (Cth)* which, departing from the common law, provides that opinion evidence is not inadmissible only because it is a matter of common knowledge; see the Full Court's observations 159 FCR 397 at [49], [54].

It is significant that no mention was made of s 80 of the *Evidence Act* in the course of the oral address by senior counsel for either party. In any event, the course of the interchange between senior counsel for Darrell Lea and the primary judge may serve to explain the conclusion that his Honour reached, and his Honour's reasons for the conclusion, without any reference to s 80 of the *Evidence Act*.

50. In the primary judge's ruling on the admissibility of Dr Gibbs' evidence, his Honour said that an expert's opinion is admissible to furnish the Court with scientific information that is likely to be outside the experience and knowledge of a judge or jury. His Honour suggested that the

concept of specialised knowledge in s 79 imports knowledge of matters that are outside the knowledge or experience of an ordinary person, being knowledge that is sufficiently organised or recognised to be accepted as a reliable body of knowledge and that approach is very close to the common law approach. Thus, his Honour concluded that, even if a proffered opinion is that of a person suitably qualified within an organised area of knowledge, if that area is not outside the experience of ordinary persons, the opinion will not be admissible.

51. While his Honour accepted that marketing and behavioural science is an organised and recognised area of specialised knowledge and that Dr Gibbs has training, study and experience within that area, his Honour characterised the issues that arise in the case as not being outside the knowledge or experience of ordinary persons. His Honour concluded, therefore, that Dr Gibbs' evidence was inadmissible in its entirety, because it went only to a matter that is within the knowledge and experience of an ordinary person.
52. His Honour then referred to observations made by the High Court in the *Transport Publishing Case* at 119 to the effect that "*ordinary human nature, that of people at large, is not a subject of proof by evidence, whether supposedly expert or not*". Those observations, of course, were made before the enactment of s 80 of the *Evidence Act*. His Honour considered that the whole *raison d'être* of Dr Gibbs' evidence was to persuade the Court what ordinary human nature will lead people to do when making purchasing decisions about Darrell Lea chocolates, given the respective packaging, advertising, etc of that company and Cadbury. His Honour held that, before opinion evidence may be given upon the characteristics, responses or behaviour of any special category of persons, it must be shown that those persons form a subject of special study or knowledge.
53. The primary judge characterised the proceeding as being concerned with the brand names, colours and get-up of rival manufacturers of chocolate and the likely effect of those features on retail purchasing decisions by consumers. His Honour considered that virtually the whole of the Australian population over the age of about 8 years are purchasers or potential purchasers of chocolate, an inexpensive everyday product sold in hundreds of thousands of retail outlets throughout the country. His Honour did not consider that consumers of chocolates could be considered as a special category of persons that would constitute an exception to the rule under the common law. His Honour characterised the questions thrown up by the proceeding as "*quintessentially questions of fact within the experience and knowledge of a trier of fact*".

54. **Following paragraph cited by:**

*The Change Group International PLC v City Exchange Mart Pty Ltd* (18 October 2013) (Edmonds J)

Such an approach appears to ignore the language of ss 79 and 80 of the *Evidence Act*. Certainly, opinion evidence will not be admissible unless the opinion is based on specialised knowledge and that specialised knowledge is in turn based on the opinion holder's training, study or experience. However, the former rule of the common law that excluded opinion evidence as to a matter of common knowledge no longer applies. Under s 80, evidence of an opinion is not inadmissible only because it is a matter of common knowledge.

55. Following paragraph cited by:

Uniform Evidence Manual (06 May 2025)

Expert evidence about a matter which is known to all would, although admissible, normally be a waste of time and excluded pursuant to s 135 ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, [55] ).

Clearly enough, if the matter about which expert evidence is to be given is patent and known to all, the Court's time would normally be wasted by such evidence. Section 135 may be called in aid in those circumstances. Nevertheless, the evidence may still be strictly admissible. Further, an expert may still be of assistance to the Court, even in an area about which most people know something. So long as s 79 is satisfied, and the opinion evidence is based on specialised knowledge and that specialised knowledge is based on training, study or experience, that opinion evidence will be admissible, whether or not it might then be excluded in the exercise of the discretion conferred by s 135 (see generally the Law Reform Commission, *Interim Report on Evidence*, Canberra 1985, paragraph 743).

56. His Honour accepted Dr Gibbs' expertise and, for that purpose, that his opinion was based upon his expertise. Thus, his Honour accepted that the field of expertise was a recognised field and it may be accepted that his Honour did not reject Dr Gibbs' evidence on the ground that he did not have relevant expertise or that his opinion was not based upon his specialised knowledge.

57. Following paragraph cited by:

*Australian Competition and Consumer Commission v Trivago N.V.* (20 January 2020) (Moshinsky J)

The primary judge concluded, however, that it is a condition of the admissibility of opinion evidence that the opinion relates to an issue that is outside the knowledge or experience of ordinary persons. In so far as that was the reason for concluding that the opinions of Dr Gibbs were inadmissible, his Honour erred. The fact that an opinion is expressed concerning the making of consumer decisions for the purchase of everyday items of commerce does not disqualify the opinion from being admissible, so long as s 79 is satisfied.

58. In his ruling, the primary judge observed that the prime ground upon which senior counsel for Darrell Lea argued against the admissibility of the disputed evidence was that much of the opinion evidence was based on market research reports that had not been proved in evidence and were not likely to be proved. However, his Honour accepted the submissions of senior counsel for Cadbury that the lack of proof of a substantial part of the factual basis of Dr

Gibbs' opinions does not of itself render his evidence inadmissible under s 79. His Honour considered that such lack of proof merely goes to the weight that may be given to the opinion. Darrell Lea did not contest that view of s 79 in the appeal. It is therefore not necessary to address the question, or the application of the statements made by Heydon JA in the *Makita case*. Our failure to do so should not necessarily be taken as endorsement of the correctness of the view adopted by the primary judge.

59. After his Honour had delivered written reasons for his ruling that Dr Gibbs' affidavits not be admitted into evidence, senior counsel for Cadbury proceeded to deal with the affidavits of Mr Stavros but observed that the objection to those affidavits was the same as the objection to the affidavits of Dr Gibbs. Senior counsel accepted that Mr Stavros' affidavits would be unsustainable in the light of his Honour's ruling in relation to Dr Gibbs.
60. His Honour observed that, notwithstanding the submissions as to the nature of Mr Stavros' particular experience, the same problem arose as arose with Dr Gibbs. That problem was that the proposed evidence was that of expert opinion in relation to the behaviour of ordinary people in consumer decisions and fell squarely within the grounds of the earlier ruling. His Honour therefore ruled that he would not receive Mr Stavros' affidavits.
61. Subsequently, his Honour dealt with the objection in relation to Mr Riches' affidavit and noted that the argument was the same as that put in respect of Dr Gibbs. His Honour observed that, while Mr Riches may approach the matter from a background somewhat different from that of the other two witnesses, his Honour considered that the evidence had essentially the same vice, in that it expressed opinions about how people are likely to react about consumers' purchases. His Honour therefore declined to receive the affidavit of Mr Riches.

### **The Primary Judge's Reference to Section 135**

62. The primary judge rejected the evidence of Dr Gibbs on the basis that, because the area of law involved concerned ordinary human behaviour, such evidence, as a matter of law, is inadmissible. Nevertheless, his Honour went on to deal with the possible exercise of discretion under s 135 on the assumption that Dr Gibbs' evidence were admissible.
63. It is fair to say that the invitation to his Honour to reject Dr Gibbs' evidence under s 135 was not developed to any significant extent. Senior counsel for Darrell Lea simply said that, if his Honour was against Darrell Lea on its submission that the evidence was inadmissible:

*"then in the ultimate course section 135 should apply on this basis, that to engage now in a cross examination of this witness on the foundations of this report, with all the inherent limitations I have indicated, even if the admissibility threshold has been crossed, would be misleading or confusing, would be unfairly prejudicial and in particular would cause an undue waste of time in the conduct of the proceeding."*

No attempt was made to develop the proposition that cross-examination of Dr Gibbs would be misleading or confusing, would be unfairly prejudicial or would cause an undue waste of time. Indeed, it was not suggested on the hearing of the appeal that anything other than a possible undue waste of time was the ground for invoking s 135, notwithstanding what was said by senior counsel for Darrell Lea.



64. Senior counsel for Darrell Lea pointed to the reference in s 135 to “*probative value*”, observed that it was “*a weight consideration*” and asserted that so little weight would be given to the evidence, **absent a proper factual foundation upon which it was sought to be expressed**, that its probative value was so limited and so small that it should not be allowed (emphasis added). That must be a further reference to the material in Document Q.

65. In due course, senior counsel for Cadbury dealt with that submission with the retort:

*“As a last resort my friend, as he was sitting down, said a few words about section 135.”*

Senior counsel for Cadbury pointed out that, in the absence of anything further, it would not be an undue waste of time for Cadbury’s case to be explored. Senior counsel pointed out that the discretion should not be exercised unless it is very clear that the probative value of the evidence is negligible and that there is some sort of identifiable prejudice.

66. Thus, the debate concerning the application of s 135 was limited in the extreme. Having regard to the conclusion that the primary judge reached on admissibility, it was not strictly necessary for his Honour to express a view about s 135 in relation to Dr Gibbs’ evidence. Nevertheless, his Honour did so.

67. The primary judge considered that Dr Gibbs’ evidence would create many areas of disputation with opposing experts and would greatly complicate and lengthen the trial of the proceeding. His Honour’s basis for doing so was twofold. First, much of the factual material relied upon by Dr Gibbs was not in evidence or likely to be in evidence. Secondly, much of that factual material was vague, tendentious and of little weight. His Honour was not more specific as to that second basis.

68. Having rejected the evidence of Messrs Stavros and Riches, the primary judge did not turn his mind to the exercise of discretion under s 135 in relation to their evidence. If their evidence is otherwise admissible, there was an error in rejecting it. The Full Court cannot exercise the discretion arising under s 135 in respect of the evidence of Messrs Stavros and Riches. In the circumstances, there is no utility in considering whether the putative exercise of the discretion by his Honour in relation to Dr Gibbs’ evidence would have involved a miscarriage of the discretion. Nevertheless, it may be useful for the Full Court to make some observations on the matters that were argued in relation to the application of s 135.

69. The primary judge referred to factual material contained in that section of Dr Gibbs’ affidavit that dealt with the Cadbury brand. Cadbury accepted for the purposes of the appeal that much of the specific material to which Dr Gibbs referred in that section was not in evidence. However, Cadbury contended that the conclusions that Dr Gibbs derived from that material could be supported by other material that was in evidence before the primary judge.

70. Thus, his Honour referred specifically to material provided to Dr Gibbs by Cadbury’s solicitors, including a document prepared by them and entitled “*Overview of the History of Cadbury and the Colour Purple*”. That document contained two statements as follows:

*“Cadbury’s mission statement is simply ‘Cadbury means quality’, this is Cadbury’s promise and this is what the Company considers its reputation is built on.*

...

*The well established corporate colours of purple and gold and the Cadbury script logo, which are so prominent on livery, signs, stationery, printed material and the brands themselves are a visual statement of the company's authority within the market. Cadbury considers these elements lend themselves to Cadbury's being 'the First Name in Chocolate'.*"

His Honour characterised those statements as “*vague and self-serving*”. However, both statements were extracted from documents that were in fact in evidence. Those documents were admitted without qualification and were therefore in evidence for all purposes.

71. In any event, Dr Gibbs' opinions concerning “*Basic Principles and Background Issues*” were not subject to the deficiency thus identified by his Honour. That material could well have informed the decision making process that his Honour adopted in concluding, as his Honour did, that Darrell Lea had not used the colour purple in a way that conveyed to the reasonable consumer the idea that it or its products had some connection with Cadbury's products.
72. The primary judge said that Dr Gibbs' statement in his affidavit, that he had assumed that the colour purple used by Darrell Lea is “*similar to that used by Cadbury*”, seemed “*to assume one of the critical issues in the case*”. His Honour queried what was meant by “*similar*” in that context. His Honour then described the way in which Dr Gibbs addressed the question of similarity between colours and expressed the view that Dr Gibbs' evidence on the point seemed to amount to part speculation and part unnecessary intellectualisation of a simple question of consumer product comparison. His Honour concluded that the potential for time wasting cross-examination was “*obvious*”.
73. However, one of the findings made in the proceeding by the primary judge was that Darrell Lea has, since at least Christmas 2000, used a purple colour “*much like that used by Cadbury*”. That suggests that the assumption made by Dr Gibbs was in fact quite a reasonable one. In any event, even if there were a prospect of time wasting cross-examination, it would have been open to his Honour to prevent such cross-examination if there was no real issue concerning the similarity between the two shades of purple.
74. Section 135 calls for a balancing exercise. First it is necessary to consider the probative value of the opinion evidence in question. Next it is necessary to assess the danger that the evidence might cause or result in undue waste of time. Finally, the section requires determination of whether the former substantially outweighs the latter.
75. The opinions of Dr Gibbs in the section of his principal affidavit that dealt with Basic Principles and Background issues contained material that, if accepted, could have a significant bearing on a judge's understanding of consumer behaviour. Perhaps more significant would be his opinions on consumer information-processing errors. That evidence had some probative value within the meaning of s 135 of the Evidence Act.

76. Following paragraph cited by:

R v We (No.13) (13 March 2020) (Bellew J)



29. See *Cadbury-Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCR 397; [2007] FCAFC 70 at [76] per Black CJ, Emmett and Middleton JJ .

In the present case, the balancing exercise that is called for by s 135 required an assessment of time that would be unduly **wasted** by the evidence of Dr Gibbs. The primary judge does not appear to have been asked to embark on any assessment of the time that might be taken by the disputed evidence, much less of the time that might be wasted by the disputed evidence.

77. Darrell Lea contended that admission of the disputed evidence may have added several weeks to the trial and would have been a huge burden on the parties. That contention, however, is not supported by the history of the proceeding. On 21 September 2005, the Court ordered, by consent, that the matter be set down for trial on questions of liability only, with an estimate of 20 days. That estimate was to be revised at a directions hearing on 7 February 2006. On 18 November 2005, the principal affidavits of Messrs Stavros and Riches were served. On 23 November 2005, the principal affidavit of Dr Gibbs was filed and served. On 1 February 2006, an affidavit by Mr John Robert Hall, in response to the disputed evidence, was filed and served by Darrell Lea. On 6 February 2006, the Court ordered, by consent, that the trial commence on 20 March 2006, with an estimate of 10 to 15 days. That estimate of necessity assumed that the Court might review the disputed evidence. There was no qualification on the estimate based on possible rejection of the disputed evidence.
78. That chronology was not the subject of any submission to the primary judge when his Honour was invited to exercise the discretion under s 135 . It is not surprising, therefore, that his Honour made no specific finding as to the undue waste of time that might be saved by rejection of the disputed evidence of Dr Gibbs. *A fortiori* no finding was made in relation to any saving by rejection of the balance of the disputed evidence. Those factors would require consideration in relation to the evidence of Dr Gibbs as well as the evidence of Messrs Stavros and Riches.

## **SECONDARY QUESTION: WHETHER DARRELL LEA’S USE OF PURPLE REPRESENTED AN ASSOCIATION BETWEEN CADBURY AND DARRELL LEA**

### **The Primary Judge’s Findings**

79. Cadbury has operated in Australia since the 1920s. The Cadbury business both worldwide and in Australia has expanded through amalgamations over the decades. His Honour found that Cadbury is beyond doubt the dominant figure in the chocolate confectionary market in Australia and that its particular strength lies in moulded block chocolates, especially Cadbury Dairy Milk, which is Cadbury’s flagship brand. It is available in different size blocks and also in other forms. Cadbury has many other chocolate products.
80. Cadbury also produces a number of chocolate confectionary products specifically for sale during traditional gift seasons such as Christmas and Easter. Those products include Easter

eggs as well as seasonal assortment packages for Christmas stockings. 30% of all boxed chocolates are bought at Christmas, which is the largest chocolate giving season. Easter eggs make up 10% of all chocolate sales.

81. Cadbury's confectionary, and in particular its chocolate products, are primarily sold through retail outlets such as supermarkets, convenience stores, service stations, tobacconists, newsagents and milk bars. Cadbury chocolate products are also sold at fund raising and sporting events, cinemas, amusement parks and public vending machines. Subject to very minor exceptions, Cadbury does not sell its chocolate products from premises that are, or are seen to be, owned or occupied by Cadbury itself. In 1998, there were approximately 86,000 outlets selling Cadbury confectionary products in Australia. Cadbury has a large dedicated sales force responsible for ensuring that its products are available at retail level and displayed to maximum effect at point of sale.
82. Cadbury has used purple wrapping for its Dairy Milk product since the 1920s, with the exception of the period of the Second World War, when austerity measures limited supplies of paper of that colour. In 1992, Cadbury resolved to extend the use of purple from Dairy Milk, to the rest of the moulded block chocolate range. Up until that time, the moulded block chocolate range other than Dairy Milk used purple, if at all, only for the colour of the word "*Cadbury*". For very many years, Cadbury has used as its brand its name in a cursive script, apparently adopted from the signature of its founder.
83. From about the mid 1990s, Cadbury adopted policies that included using significantly more purple in the packaging of its block milk chocolate products other than Dairy Milk. In addition, Cadbury began to incorporate a direction to its retail distributors that its moulded chocolate range be displayed on shelves in such a way as to create a "*purple bullseye*", with Cadbury Dairy Milk in the centre, or focal point, of the layout.
84. In addition to packaging, a dark shade of purple has been used by Cadbury in point of sale material such as display units, dump bins and counter stands, in television, print, outdoor and cinema advertising, in promotional activities in uniforms, company vehicles, factories and offices, in manuals, reports, catalogues, stationery, letterheads and on the Cadbury website. On the other hand, the majority, of some 56%, of Cadbury's total sales for chocolate confectionary products is constituted by products that do not prominently feature, or are not promoted by reference to, the use of the dark purple shade.
85. His Honour made the following specific findings that might have been influenced by the evidence of Dr Gibbs:
  - There is a wide awareness amongst Australian consumers of the use by Cadbury of a dark purple colour in connection with the marketing, packaging and presentation of certain chocolate products, particularly Cadbury Dairy Milk, and other block milk chocolate products;
  - There is wide awareness amongst Australian consumers of the use by Cadbury of a dark purple colour as a corporate colour;

- Cadbury's use of purple in marketing, advertising and promotion is, and is seen by consumers to be, inextricably bound up with the well known name "*Cadbury*" and its distinctive script. Cadbury never uses the colour purple in isolation as an indicium of trade;
- Darrell Lea is a name well known in connection with chocolate in those parts of Australia where it operates, although not as well known as Cadbury;
- The names Darrell Lea and Cadbury are quite distinct in sound and appearance and not likely to be mistaken for each other;
- Darrell Lea has, since at latest Christmas 2000, used in its marketing, packaging, promotion and point of sale presentation a purple colour **much like that** used by Cadbury;
- Colour recognition or attraction can play an important part in consumer decisions to purchase chocolate;
- Consumer decisions to purchase chocolate are often made quickly and on impulse but not necessarily irrationally.

86. The primary judge ultimately found that Darrell Lea's use of purple was not likely to convey to reasonable consumers a representation that its products originated from, or were associated with, Cadbury. His Honour concluded that, while Cadbury and Darrell Lea are competitors in the retail chocolate market, they have distinctive product lines that are sold from different sorts of premises under distinctive trade names and have distinct identities in the market place. His Honour considered that, while there is a wide awareness amongst Australian consumers of the use by Cadbury of a dark purple colour, Cadbury does not own the colour purple and does not have an exclusive reputation in purple in connection with chocolate. Accordingly, Darrell Lea was entitled to use purple as long as it did not convey to the reasonable consumer the idea that it or its products have some connection with Cadbury.

### **Contentions on Appeal**

87. The grounds in question in the notice of appeal were as follows:

- The primary judge erred in failing to find that the overall impression of the packaging and labelling adopted by Darrell Lea for products in the period 2000-2004 was capable of conveying to a significant body of reasonable consumers a representation that those chocolate products originated from or were associated with Cadbury;
- The primary judge ought properly to have found that such overall impression was capable of conveying that representation to a significant body of reasonable consumers.

88. While those grounds allege that the primary judge ought not to have made certain conclusions or should have made other conclusions, they do not point to any specific error on his part in

doing so or failing to do so, as the case may be. While the grounds were developed in written submissions, senior counsel for Cadbury said nothing in support of them on the hearing of the appeal. Indeed, senior counsel acknowledged that, while Cadbury did not abandon these grounds for asserting error, his Honour clearly had regard to all of the relevant evidence before him and reached his conclusion on a rational basis.

89. Assuming that the disputed evidence had been properly rejected, there was no error on the part of the primary judge in reaching the conclusion that, to the extent there was use by Darrell Lea of a colour purple, that usage did not constitute passing off. Nor did his Honour err in concluding that such usage did not constitute a contravention of the [Trade Practices Act](#).

## NEW TRIAL

90. Following paragraph cited by:

[Lift Shop Pty Ltd v Next Level Elevators Pty Ltd](#) (21 August 2025) (Feutrill, Neskovicin and Moore JJ)

Under s 28(1)(f) of the [Federal Court of Australia Act 1976 \(Cth\)](#), the Court may, in the exercise of its appellate jurisdiction, grant a new trial **on any ground upon which it is appropriate to grant a new trial**. Nevertheless, notwithstanding that provision, even where an error of law, error of fact, misdirection or other wrong has occurred, an appeal may be dismissed and a new trial not be ordered where that error of law, error of fact, misdirection or other wrong has not resulted in any miscarriage of justice.

91. Darrell Lea contended that, even if the disputed evidence was wrongly rejected, there should be no new trial because there would be no utility in adopting that course. It says that, having regard to the findings made by the primary judge, there could be no other result. Putting it a different way, Darrell Lea contended that there should be no new trial because there was no miscarriage of justice as result of the rejection of the disputed evidence.
92. Darrell Lea contended that there was no miscarriage of justice because of the findings made by the primary judge that Cadbury had not established exclusivity in relation to the use of purple and Cadbury's acceptance of those findings for the purposes of the appeal. In addition, Darrell Lea contended that the disputed evidence was of so little weight that, even if were admitted, it could not affect the outcome of a new trial.

## Need For Exclusivity

93. Darrell Lea contended, relying on [Reckitt and Colman Products Ltd v Borden Inc](#) (1990) 17 IPR 1 at 7, that there are three elements that must be established by a claimant in a passing off action, as follows:

First, the claimant must establish a goodwill or reputation attached to the goods or services that he supplies in the mind of the purchasing public by association with the identifying get-up under which the claimant's particular goods or services are offered to the public, such

that the get-up is recognised by the public as distinctive, specifically of the claimants goods or services.

- Secondly, the claimant must demonstrate a misrepresentation by the alleged wrongdoer to the public, leading or likely to lead the public to believe that goods or services offered by the alleged wrongdoer are the goods or services of the claimant.
- Thirdly, the claimant must demonstrate that it suffers or that it is likely to suffer damage by reason of the erroneous belief engendered by the alleged wrongdoer's misrepresentation that the source of the alleged wrongdoer's goods or services is the same as the source of those offered by the claimant.

Darrell Lea says that the first element requires a finding of exclusivity in relation to the relevant get up, which, in this case, is the colour purple.

94. The primary judge found that Cadbury does not have an exclusive reputation in the use of the relevant purple colour in connection with chocolate. Indeed, other traders have, with Cadbury's knowledge, for many years used a similar shade of purple. Cadbury has not consistently enforced any alleged exclusive reputation. In relation to its chief competitor, Nestlé, Cadbury has permitted a use of purple in relation to popular chocolate products. Cadbury has made clear in its conduct of the appeal that, for the purposes of the appeal, it does not challenge the finding made by the primary judge that Cadbury does not have an exclusive reputation in the use of the dark purple colour in connection with chocolate.
95. It does not follow, however, that the same finding would be made at a new trial. The whole thrust of Cadbury's contention is that the disputed evidence could lead to a different conclusion. That is to say, the fact that others may have used purple in the market place does not necessarily lead to the conclusion that the products of those other persons are identified or distinguished by colour. All that Cadbury accepts is that the truncated evidence before the primary judge left open the finding made by his Honour. The fact that, on the basis of the truncated evidence, such a finding was open does not preclude the possibility that, at another hearing, with additional admissible evidence, a different conclusion would follow, even before the primary judge.

96. **Following paragraph cited by:**

*Bauer Consumer Media Ltd v Mamamia.com.au Pty Ltd* (17 December 2014) (Rares J)

*The Ridge Trading Pty Ltd v JC Export & Import Pty Ltd* (29 June 2010) (Lloyd-Jones FM)

204. To succeed in this approach the plaintiff must establish some reputation or goodwill in its goods, although the plaintiff does not need to demonstrate an exclusive reputation: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261 at [96]. This is where action in these proceedings flounders as no evidence has been led

on behalf of the Ridge Trading in respect to reputation. The witnesses that were called and identified above gave sworn testimonies that the bathmat ensembles were generic mats and that the name of the Ridge Trading meant nothing to them. In these circumstances I believe this avenue fails and needs not to be further addressed.

In any event, the principles relating to passing off do not necessarily require Cadbury to establish an exclusive reputation in relation to the use of the colour purple. More significantly, it certainly does not follow that there cannot be a contravention of the [Trade Practices Act](#) simply because Cadbury does not establish that it has an exclusive reputation in relation to the colour purple. The question is whether Cadbury can establish facts that demonstrate that a particular use by Darrell Lea of the colour purple is likely to mislead or deceive consumers into believing that there is some relevant connection between Darrell Lea and Cadbury or their respective products.

97. **Following paragraph cited by:**

[Kraft Foods Group Brands LLC v Bega Cheese Limited](#) (14 April 2020) (Foster, Moshinsky and O'Bryan JJ)

234. Kraft submits that: the findings made by the primary judge overwhelmingly indicate that consumers perceived an association between the Peanut Butter Trade Dress and the Kraft brand; the primary judge correctly stated at [358] that “at all material times from the 1990s until mid-2017 consumers formed an association between the Kraft trade mark and the [Peanut Butter Trade Dress]”; Kraft need only show goodwill at June 2017 – goodwill created after the Restructure would be sufficient for these purposes; the primary judge should have found that the conduct of Bega in utilising the Peanut Butter Trade Dress on its peanut butter product misled or deceived consumers into believing there was an association with the owner of the Kraft brand, that is, the appellants; there was and is no such association. Kraft makes the following additional points:

(a) First, demonstration of its entitlement to goodwill under the MTA or otherwise is not an element required to be proved by Kraft in order to make out its case under the [Australian Consumer Law](#). Kraft is also not required to establish any reputation or any exclusive right, merely that consumers are misled into believing an association: see [Wodtree Pty Ltd v Zheng](#) (2007) 164 FCR 369 at [34], quoted with approval in [Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd](#) (2018) 264 FCR 422 at [8]; [Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd](#) (2007) 159 FCR 397 at [97] and [99]; [Kosciuszko Thredbo Pty Ltd v ThredboNet Marketing Pty Ltd](#) (2014) 223 FCR 517 at [27]-[29].



- (b) Secondly, notwithstanding the challenge made in this appeal in relation to goodwill, even if it be the case that Bega had a right to use the Peanut Butter Trade Dress, this gave it no right to mislead the public. Goodwill is negative in character and gives no positive right to use: see *JT International* at [36]-[40] .
- (c) Thirdly, the finding that Bega represented the truth of the position by using the Peanut Butter Trade Dress (Reasons, [360]) does not grapple with the pleaded misrepresentation. There was no truth to the position that the product Bega placed into the market place in the Peanut Butter Trade Dress was associated with the Kraft brand or the owner of that brand, namely the appellants.
- (d) Fourthly, the suggestion that consumer confusion arose by reason of erroneous assumption is not sustainable (Reasons, [361]). Bega itself chose the aspects of the packaging that it would utilise and is therefore responsible for any misrepresentation it conveys. The fact that an ordinary reasonable consumer might reasonably believe an association between Kraft and Bega existed was unremarkable and plain on the findings made (Reasons, [156]). The authorities referred to at [361] of the Reasons, namely *State Government Insurance Corporation v Government Insurance Office of New South Wales* (1991 ) 28 FCR 511 at 562 and *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 ( *Puxu* ) at 203-204, did not have application.
- (e) Fifthly, the use by Bega of the Peanut Butter Trade Dress to draw an association with the Kraft brand means that, if an adverse event with Bega peanut butter occurred, it would erroneously reflect on the appellants and the Kraft brand. Section 18 of the *Australian Consumer Law* can and should provide an independent remedy regardless of the more complex findings on goodwill.

*Urban Alley Brewery Pty Ltd v La Sirene Pty Ltd* (07 February 2020) (O'Bryan J)

242. It has long been recognised that a misrepresentation as to the source of a trader's goods is not only an element in the tort of passing off, it can also constitute misleading or deceptive conduct under s 18 , and a misrepresentation for the purposes of s 29(1)(g) and (h) of the ACL. As the Full Court said in *Cadbury Schweppes* at [97] : "If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader". The Full Court explained that the relevant question "is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product" (at [99]).

50. Another factor that weighs in favour of a finding that there is a real likelihood of a significant number of consumers being misled or deceived by use of the Trade Mark, is the similarity between the Trade Mark and the Opponent's well-known logo. It is well-established that the get-up of a product can give rise to a misrepresentation that the goods or services of the trader are, or are in some way related to, the goods or services of another trader, or that there is some affiliation between the two. [16].

via

[16] *S&I Publishing Pty Ltd v Australian Surf Lifesaver Pty Ltd* (1998) FCR 354, [362-3]; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, [97].

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* (20 April 2017) (Burley J)

23. A trader may establish a reputation in trade indicia other than names and logos which may be protected without registration as a trade mark; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 ( *Cadbury Schweppes* ) at [97]. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader; *Cadbury Schweppes* at [97].

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* (20 April 2017) (Burley J)

23. A trader may establish a reputation in trade indicia other than names and logos which may be protected without registration as a trade mark; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 ( *Cadbury Schweppes* ) at [97]. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader; *Cadbury Schweppes* at [97].

*Verrocchi v Direct Chemist Outlet Pty Ltd* (17 March 2015) (Middleton J)

*Unilever Australia Ltd v Revlon Australia Pty Ltd (No 2)* (19 August 2014) (Gleeson J)



21. Revlon relied on the following passage from *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [97] (cited with approval in *Bodum* at [193] (Greewood J, Tracey J agreeing at [272] . )):

Both in the context of Part V of the [ *Trade Practices Act 1974* (Cth) ] and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

*The Change Group International PLC v City Exchange Mart Pty Ltd* (18 October 2013) (Edmonds J)

173. In their closing written submissions at [29] and [32]–[35], the applicants put a number of other propositions in relation to reputation about which there may be no or little argument:

- (1) That reputation may reside in get-up as distinct from a trade name has long been recognised by the courts: see e.g., *Brock v Terrace Times Pty Ltd* (1982) 40 ALR 97; *Apand Pty Ltd v Kettel Chip Co Pty Ltd* (1994) 52 FCR 474; *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191; *R & C Products Pty Ltd (t/a Samuel Taylor) v Sterling Winthrop Pty Ltd* (1993) 27 IPR 223; *Sterling Winthrop Pty Ltd v R & C Products Pty Ltd* (1994) ATPR 41-308; and *W D & H O Wills v Philip Morris* (1997) 39 IPR 356. The tort protects such things as visual images that become part of the goodwill of the product: *Cadbury Schweppes Pty Ltd v The Pub Squash Co Ltd* at 858B.
- (2) The extent or scope of reputation required is that there be a substantial number of persons who are aware of the plaintiff's product or service: *ConAgra* , *ibid*. The size and extent of the class may vary according to the circumstances of the case: *ConAgra* at 346 per Lockhart.
- (3) It is not necessary for a plaintiff to establish an exclusive reputation in relation to the use of a particular colour, both in passing off and under the *TP Act* /ACL, trade indicia other than names and logos can become associated with a particular user so that use by another trader can give rise to misleading or deceptive conduct or passing off: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* at [97] .
- (4) Nor is it necessary for a plaintiff in a get-up case to prove that the relevant persons who are likely to be misled can identify or know

the name of the trading source, that is, the plaintiff's actual identity. To show distinctiveness of a product a plaintiff need only show that by reason of get-up or appearance of the product or service consumers regard it as having one source: *Powell v Birmingham Vinegar Brewery Co Ltd* (1896) 13 RPC 235 applied in *Hoath v Connect Internet Services Pty Ltd* (2006) 229 ALR 566.

- (5) Reputation within the jurisdiction may be proved by a variety of means including, as Lockhart J observed in *ConAgra* at 343 “by showing constant travel of people between other countries and the forum, and that people within the forum (whether residents there or persons simply visiting there from other countries) are exposed to the goods of the overseas owner”.

*Peter Bodum A/S v DKSH Australia Pty Ltd* (05 August 2011) (Greenwood, Tracey and Buchanan JJ)

193. In *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, the Full Court made this observation at [97] :

Both in the context of Pt V of the *Trade Practices Act* and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

Both in the context of Part V of the *Trade Practices Act* and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

98. **Following paragraph cited by:**

*Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (14 December 2023) (ROFE J)

525. The elements for the tort of passing off are well established. The tort of passing off involves “three core concepts: reputation, misrepresentation and damage”: *Stone and Wood Group Pty Ltd v Intellectual Property Development Corp Pty Ltd* (2018) 129 IPR 238 at [82] (per Allsop CJ, Nicholas and Katzmann JJ) citing *ConAgra Inc v McCain Foods (Aust)*

*Pty Ltd* (1992) 23 IPR 193 at 246–7 (per Gummow J). As the Full Court said in *Stone and Wood* at [83], the tort “protects the right of property in business, goodwill or reputation”: see also *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261 at [98] (per Black CJ, Emmett and Middleton JJ); *ConAgra* at 231 (per Lockhart J).

*Bed Bath ‘N’ Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (14 December 2023) (ROFE J)

527. The tort of passing off and misleading and deceptive conduct are closely related and are often considered together as overlapping claims. However, as the Full Court explained in *Cadbury* at [98] :

the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

*RB (Hygiene Home) Australia Pty Ltd v Henkel Australia Pty Ltd* (06 September 2022) (Rofe J)

310. As the Full Court of this Court observed in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [98] ( *Cadbury* ), there is an overlap between causes of action arising under Part V of the *Trade Practices Act 1974* (Cth) (the predecessor to Part 2–1 of the *Australian Consumer Law* ) and the common law tort of passing off. However, their honours continued:

... the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

*Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* (22 October 2020) (Stewart J)

445. Although there is an overlap between causes of action arising under Pt 2–1 (i.e., ss 18–19) of the ACL and the common law tort of passing off, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt 2–1 is concerned with consumer protection. Part 2–1 is not restricted by common law principles relating to passing off and provides wider protection than passing off. See *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; 159 FCR 397 at [98] per Black CJ, Emmett and Middleton JJ .

*Urban Alley Brewery Pty Ltd v La Sirene Pty Ltd* (07 February 2020) (O'Bryan J)

232. As observed by the Full Federal Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 ( *Cadbury Schweppes* ) at [98] , there is overlap between causes of action arising under the ACL (previously Part V of the *Trade Practices Act 1974* (Cth) ) and passing off, but they have distinct features. The Full Court explained:

There is an overlap between causes of action arising under Pt V of the *Trade Practices Act* and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

*Stone & Wood Group Pty Ltd v Intellectual Property Development Corporation Pty Ltd* (21 July 2016) (Moshinsky J)

175. As the Full Court of this Court observed in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [98] , there is an overlap between causes of action arising under Pt V of the *Trade Practices Act 1974* (Cth) (see now, Pt 2-1 of the *Australian Consumer Law* ) and the common law tort of passing off. “However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off”: *Cadbury* (2007) 159 FCR 397 at [98] per Black CJ, Emmett and Middleton JJ . The Full Court also said (at [99]):

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act* . The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant’s product.

*Stone & Wood Group Pty Ltd v Intellectual Property Development Corporation Pty Ltd* (21 July 2016) (Moshinsky J)

*Zetco Pty Ltd v Austworld Commodities Pty Ltd (No 2)* (01 August 2011) (Bennett J)

233. Austworld accepts that the causes of action overlap but differentiates between the actions of contravention of ss 52 and 53 of the *TPA* , which are concerned with consumer protection, and passing off, which protects a

right of property in business or goodwill. The wider protection is afforded by Part V of the TPA ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [98] ).

*Raben Footwear Pty Limited v Marathon Footwear Pty Limited* (17 April 2008) (Graham J)

7. In relation to the recent case concerning the use of the colour purple in relation to packaging of chocolate by Darrell Lea Chocolate Shops Proprietary Limited ( *Cadbury Schweppes Pty Limited (ACN 004 551 473) v Darrell Lea Chocolate Shops Pty Ltd (ACN 000 498 386)* [2007] FCAFC 70), the Full Court of this Court said at [98] :

*'There is an overlap between causes of action arising under Part V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.'*

There is an overlap between causes of action arising under Part V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

99. **Following paragraph cited by:**

*Canadian Standards Association v Connectivity Standards Alliance* (03 June 2025) (It is not sufficient that the Opponent merely establishes that its CSA, CSA Group and Logo Marks have a limited reputation, I must also be satisfied that because of that reputation the use of the Trade Mark would be likely to deceive or cause confusion. There is no requirement that the CSA, CSA Group and Logo Marks are substantially identical or deceptively similar to the Trade Mark, nor that the goods and/or services of the parties are similar. Nonetheless, resemblance between the parties trade marks remain a relevant factor, as noted in)

65. Regarding the Opponent's submissions that ss 18 and 29 of the ACL focus on the Applicant's trade mark and its effect upon consumers in Australia, I agree that a prior reputation is unnecessary to find a contravention of s 42(b), I also add that any reputation of the Opponent's Marks will form part of the context in which the assessment of the likelihood of persons being deceived or misled will be made. [34] As I have found under the s 60 ground that the Opponent only had a limited

reputation in the CSA, CSA Group and Logo Marks, taken together with the lack of evidence from the Holder referred to above, I am not satisfied that the Opponent has discharged its onus to establish that use of the Trade Mark would be likely to mislead or deceive within the meaning of s 18 of the ACL.

via

[34] *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70, [99] (Black CJ, Emmett and Middleton JJ) .

*Jacksons Drawing Supplies Pty Ltd v Jackson's Art Supplies Ltd* (23 May 2025) (Jackson J)

114. Reputation is of the essence of the cause of action of passing off ( *Scandinavian Tobacco Group Eersel BV v Trojan Trading Co Pty Ltd* [2015] FCA 1086 at [101] (Allsop CJ)), but it is not a necessary precondition to a claim under s 18 of the ACL: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 at [99] . Nevertheless, it will be common that the basis on which the use of a name is said to be misleading is that the trading name of the applicant has sufficient reputation among a relevant class of persons to mean that they associate the name with the applicant: see e.g. *Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 3)* [2017] FCA 865 at [91] (Mortimer J).

*Koninklijke Douwe Egberts BV v Cantarella Bros Pty Ltd* (07 November 2024) (Wheelahan J)

528. In the context of ss 18 and 29 of the ACL, the Full Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; 159 FCR 397 said at [99] –

The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Societe Civile et Agricole du Vieux Chateau Certan v Kreglinger (Australia) Pty Ltd* (15 March 2024) (Beach J)

*Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (14 December 2023) (ROFE J)

529. It is well established that, although both claims generally run together, an ACL claim has broader application and is generally easier to establish than a passing off claim. The key distinction being that, unlike in passing off, reputation is not an element of the statutory cause of action under the ACL, even though it may be relevant: see *In-N-Out Burgers, Inc v Hashtag Burgers Pty Ltd* (2020) 150 IPR 73 at [182] (per Katzmann J); *Cadbury* at [99] (per Black CJ, Emmett and Middleton JJ). Of course, in a



case like this where the reputation of the applicant is not an issue, that distinction is irrelevant.

## 9.2 Consideration

**Brick Lane Brewing Co Pty Ltd v Torquay Beverage Co Pty Ltd** (08 February 2023)  
(Stewart J)

39. In *Homart Pharmaceuticals Pty Ltd Careline Australia Pty Ltd* [2018] FCAFC 105; 264 FCR 422 ( *Homart FCAFC* ) at [8] it was held by Murphy, Gleeson and Markovic JJ that it is not necessary for an applicant to demonstrate “a particular reputation” in order to prove misleading or deceptive conduct. With reference to *Woodtree Pty Ltd v Zheng* [2007] FCA 1922; 164 FCR 369 at [34] , it was said that it is not necessary for an applicant to establish any reputation at all, but rather the question is whether consumers are likely to be misled or deceived by the respondent’s conduct. Observing (at [9]) that “the assessment of the impugned conduct is not done in a vacuum”, the Full Court in *Homart FCAFC* quoted from *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCA 70; 159 FCR 397 at [99] per Black CJ, Emmett and Middleton JJ :

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Part V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, *having regard to the state of the knowledge of consumers in Australia of the claimant’s product*.

(My emphasis.)

**Home Grown Brands Australia Pty Ltd v Sperling Enterprises Pty Ltd** (16 July 2021)  
(Manousaridis J)

10. Before a person will be held to have engaged in misleading or deceptive conduct by promoting or supplying goods that have impugned reference features or by using impugned trade indicia in connection with the promotion or sale of goods, it will therefore usually be necessary for the person so alleging to prove a reputation in the reference features or in the reference trade indicia. [9] In *Interlego AG v Croner Trading Pty Limited* Gummow J said that “*reputation and likelihood of deception are distinct issues, the first preceding the second, so that if the plaintiff fails on reputation that is the end of the case*”. [10] In *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* Perram J said: [11].

In cases such as the present it is, of course, necessary to identify the features of the applicant’s packaging in which a reputation is said to inhere

for it is the existence of that reputation which the tort protects. So too, in the context of the corresponding claim under s 52 it is the reputation in those features which is the springboard for the argument that consumers are deceived by a particular imitation. Thus although the interests protected by the two actions are different both indispensably require the identification of features known to the public mind. The expression “get-up” is a convenient shorthand for that concept but can be apt to mislead if one loses sight of the necessary connexion between the get-up and reputation. For that reason the identification of a get-up by an applicant in a passing off action or a claim under s 52 is both coherent and necessary.

via

[9] *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70, at [99].

*Monster Energy Company v Mixi Inc* (01 October 2020) (Stewart J)

*PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* (30 July 2020) (Markovic J)

497. In *Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* [2018] FCA 235; (2018) 354 ALR 353 ( *Bohemia Crystal* ) at [309]-[313] and [315]-[316]. Burley J summarised the principles in relation s 18 of the ACL as follows:

309 The relevant date for assessing the reputation of the applicant for the purpose of s 18 of the ACL is the date that the impugned conduct commenced; *Thai World Import & Export Co Ltd v Shuey Shing Pty Ltd* [1989] FCA 735; (1989) 17 IPR 289 at 302 (per Gummow J); *Taco Co of Australia Inc v Taco Bell Pty Ltd* [1982] FCA 170; (1982) 42 ALR 177 at 188 (Franki J), 196 (Deane and Fitzgerald JJ); *Optical 88 Ltd v Optical 88 Pty Ltd (No 2)* [2010] FCA 1380; (2010) 89 IPR 457 at [334] (Yates J).

310 In many cases it will be necessary to consider the class of persons to whom the representation was directed; *S & I Publishing Pty Ltd v Australian Surf Life Saver Pty Ltd* [1998] FCA 1463; (1988) 88 FCR 354 at 362. Where the persons in question are members of a class to which the conduct in question was directed in a general sense, it is necessary to isolate by some criterion a representative member of that class. The inquiry is thus to be made with respect to this hypothetical individual why the misconception complained of has arisen or is likely to arise if no injunctive relief is granted. Where the effect contemplated is on a class of consumers (as in the present case), the effect of the conduct on reasonable members of the class is to be considered; *Campomar Sociedad, Limitada v Nike International Limited* [2000] HCA 12; (2000) 202 CLR 45 at [103] ( *Campomar* ) (Gleeson CJ, Gaudron, McHugh, Gummow, Kirby, Hayne and Callinan JJ).

311 The focus of the inquiry is on whether a not insignificant number within the class have been misled or deceived or are likely to have been misled or deceived by the respondent’s conduct. If, applying the Campomar test, reasonable members of the class would be likely to be misled, then such a



finding carries with it that a significant proportion of the class would be likely to be misled; *National Exchange Pty Ltd v Australian Securities and Investments Commission* [2004] FCAFC 90; (2004) 61 IPR 420 at [70] and [71] per Jacobson and Bennett JJ. The question may be put slightly differently as whether a “not insignificant number” of “reasonable” or “ordinary” members of that class of the public would, or are likely to, be misled or deceived: *Peter Bodum A/S v DKSH Australia Pty Ltd* [2011] FCAFC 98; (2011) 280 ALR 639 at [204]-[210] ( *Peter Bodum* ). In either case, the analysis in the present case remains the same, as does the conclusion.

312 When, in a case concerning s 18 of the *ACL* , the focus is upon the misleading of others, it becomes of particular importance to identify the respect in which there is said to be any misleading or deception. For instance, where the name of the claimant consists of descriptive words, the fact that confusion arises may not be attributed to misleading or deceptive conduct, but because of the descriptiveness of the name. For that reason it is necessary to inquire why any misconception has arisen in the minds of consumers; *Hornsby* at 228, 229 (Stephen J, Barwick CJ, Jacobs and Aickin JJ agreeing). In the case of a descriptive or generic word, for an applicant to make good an allegation of affiliation it may need to demonstrate that the word has acquired a secondary meaning and become distinctive of the applicant’s business. Whether a secondary meaning exists is a question of fact to be determined having regard to all the relevant contextual circumstances. It may be difficult to establish that a descriptive name (or, in the present case, an apt geographical name), as opposed to a concocted or invented name, has become distinctive of the applicant’s business; *Hornsby* at 229, 230.

313 However, there is no requirement under the *ACL* to show an exclusive reputation ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 72 IPR 261 at [99] per Black CJ, Emmett and Middleton JJ ).

...

315 In assessing the character of the conduct in question, against the background of all of the contextual circumstances, conduct which misleads a consumer such that she or he opens negotiations or invites approaches under some mistaken impression of a trader’s connection or affiliation with another, may constitute misleading or deceptive conduct, even if the true position emerges before the transaction is concluded; *Peter Bodum* at [210] (Greenwood J, Tracey J agreeing). Whether an impression of a trader’s connection or affiliation, which does not linger until point of sale, is sufficient to amount to misleading or deceptive conduct depends on the circumstances of each case. Actionable misleading or deceptive conduct is not limited to conduct which induces or is likely to induce entry into a transaction. Conduct which misleads a consumer so that, under some mistaken impression of a trader’s connection or affiliation, he or she opens negotiations or invites approaches may be misleading or deceptive even if the true position emerges before the transaction is concluded: *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* [2013] HCA 54; (2013) 250 CLR 640 at [50] (French

CJ, Crennan, Bell and Keane JJ); see also *SAP Australia Pty Ltd v Sapient Australia Pty Ltd* [1999] FCA 1821; (1999) 48 IPR 593 at [51] ; *Verrocchi v Direct Chemist Outlet Pty Ltd* [2016] FCAFC 104; (2016) 247 FCR 570 at [68]

316 It is not necessary for consumers to assume that the services are from the same source. It is sufficient if consumers believe that there is some connection or association between the services, or the persons who provide them; *Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 228 FCR 189. (*Verrocchi* ) at [78] (Middleton J).

*In-N-Out Burgers, Inc v Hashtag Burgers Pty Ltd* (26 February 2020) (KATZMANN J)

182. Unlike in passing-off, to which I will come in due course, which is concerned with the protection of goodwill, reputation is not an element of the statutory cause of action, which is concerned with the protection of consumers. But that does not mean that reputation is irrelevant. As the Full Court put it in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] :

The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* (05 July 2018) (Murphy, Gleeson and Markovic JJ)

9. However, as Homart observed, the assessment of the impugned conduct is not done in a vacuum. Thus in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 (“*Cadbury*”) at [99] , the Full Court said:

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Part V of the *Trade Practices Act* . The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* (05 July 2018) (Murphy, Gleeson and Markovic JJ)

*Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* (06 March 2018) (Burley J)

313. However, there is no requirement under the [ACL](#) to show an exclusive reputation ( [Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd](#) [2007] FCAFC 70; (2007) 72 IPR 261 at [99] per Black CJ, Emmett and Middleton JJ ).

[Pokémon Company International, Inc. v Redbubble Ltd](#) (19 December 2017) (Pagone J)

19. It was submitted on behalf of TPCi that consumers searching for Pokémon merchandise who are somewhat familiar with online shopping and search engines and with Pokémon characters, but who do not have a detailed knowledge of any client licensing arrangement, will be misled or deceived by the representations on the internet searches. In [Campomar Sociedad, Limitada v Nike International](#) (2000) 202 CLR 45 the High Court said that the effect of conduct or representations upon ordinary or reasonable members of a class must be considered where the issue is the effect of conduct on a class of persons. At [102]-[103] the Court said:

102 It is in these cases of representations to the public, of which the first appeal is one, that there enter the "ordinary" or "reasonable" members of the class of prospective purchasers. Although a class of consumers may be expected to include a wide range of persons, in isolating the "ordinary" or "reasonable" members of that class, there is an objective attribution of certain characteristics. Thus, in *Puxu*, Gibbs CJ determined that the legislation did not impose burdens which operated for the benefit of persons "who fail[ed] to take reasonable care of their own interests". In the same case, Mason J concluded that, whilst it was unlikely that an ordinary purchaser would notice the very slight differences in the appearance of the two items of furniture in question, nevertheless such a prospective purchaser reasonably could be expected to attempt to ascertain the brand name of the particular type of furniture on offer.

103 Where the persons in question are not identified individuals to whom a particular misrepresentation has been made or from whom a relevant fact, circumstance or proposal was withheld, but are members of a class to which the conduct in question was directed in a general sense, it is necessary to isolate by some criterion a representative member of that class. The inquiry thus is to be made with respect to this hypothetical individual why the misconception complained has arisen or is likely to arise if no injunctive relief be granted. In formulating this inquiry, the courts have had regard to what appears to be the outer limits of the purpose and scope of the statutory norm of conduct fixed by s 52. Thus, in *Puxu*, Gibbs CJ observed that conduct not intended to mislead or deceive and which was engaged in "honestly and reasonably" might nevertheless contravene s 52. Having regard to these "heavy burdens" which the statute created, his Honour concluded that, where the effect of conduct on a class of persons, such as consumers, was in issue, the

section must be "regarded as contemplating the effect of the conduct on reasonable members of the class".

(Footnotes omitted).

In *Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd* (2016) 118 IPR 239 Beach J set out at [260]-[273] some non-contentious principles applicable to cases such as the present:

260 First, there is no meaningful difference between the words and phrases "misleading or deceptive", "mislead or deceive" or "false or misleading"; see *Australian Competition and Consumer Commission v Dukemaster Pty Ltd* [2009] FCA 682 at [14] per Gordon J and *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Limited* (2014) 317 ALR 73 at [40] per Allsop CJ.

261 Second, where the issue is the effect of conduct on a class of persons (rather than identified individuals to whom a particular misrepresentation has been made or particular conduct directed), the effect of the conduct or representations upon ordinary or reasonable members of that class must be considered ( *Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45 at [102] and [103] ). This hypothetical construct avoids using the very ignorant or the very knowledgeable to assess effect or likely effect; it also avoids using those credited with habitual caution or exceptional carelessness; it also avoids considering the assumptions of persons which are extreme or fanciful. Third, the objective characteristics that one attributes to ordinary or reasonable members of the relevant class may differ depending on the medium for communication being considered. There is scope for diversity of response both within the same medium and across different media.

262 Fourth, for the purposes of s 18, one must identify the relevant conduct and then consider whether that conduct, considered as a whole and in context, is misleading or deceptive or likely to mislead or deceive. Such conduct is not to be pigeon-holed into the framework or language of representation (cf the language of s 29).

263 Fifth, conduct is misleading or deceptive or likely to mislead or deceive if it has the tendency to lead into error ( *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2013) 250 CLR 640 at [39] per French CJ, Crennan, Bell and Keane JJ). But conduct causing confusion or wonderment is not necessarily co-extensive with misleading or deceptive conduct ( *Google Inc v Australian Competition and Consumer Commission* (2013) 249 CLR 435 at [8] per French CJ, Crennan and Kiefel JJ). Mere confusion or wonderment will not establish misleading or deceptive conduct ( *Taco Company of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177 at 201 per Deane and Fitzgerald JJ). In *SAP Australia Pty Ltd v Sapient Australia Pty Ltd* (1999) 169 ALR 1 at [51], the Full Court accepted that there may be

evidence of initial confusion that did not result in any person seeking to commence negotiations, which would fall short of amounting to misleading or deceptive conduct.

264 Sixth, the question is whether there was a real but not remote chance or possibility that the relevant conduct was misleading or deceptive or likely to mislead or deceive. To assess this one looks at the potential practical consequences and effect of the conduct.

265 Seventh, for the purposes of s 18, the words “likely to mislead or deceive” demonstrate that it is not necessary to show actual deception. Relatedly, it is not necessary to adduce evidence from persons to show that they were actually misled or deceived.

266 Eighth, there must be a sufficient nexus between the impugned conduct or apprehended conduct and the customer’s misconception or deception. As was said in *SAP Australia Pty Ltd v Sapient Australia Pty Ltd* (1999) 169 ALR 1 at [51] by French, Heerey and Lindgren JJ:

The characterisation of conduct as “misleading or deceptive or likely to mislead or deceive” involves a judgment of a notional cause and effect relationship between the conduct and the putative consumer’s state of mind. Implicit in that judgment is a selection process which can reject some causal connections, which, although theoretically open, are too tenuous or impose responsibility otherwise than in accordance with the policy of the legislation.

267 Subject to one qualification, the error or misconception must result from the respondent’s conduct and not from other circumstances for which the respondent was not responsible. But conduct that exploits or feeds into and thereby reinforces the pre-existing mistaken views of members of the relevant class may be misleading or deceptive or likely to mislead or deceive.

268 Ninth, conduct that is merely transitory or ephemeral where any likely misleading impression is likely to be readily or quickly dispelled or corrected does not constitute conduct that would infringe s 18 (*Knigh t v Beyond Properties Pty Ltd* (2007) 242 ALR 586 at [58] per French, Tamberlin and Rares JJ).

269 Tenth, and relatedly, it is one thing to say that the conduct must be more than transitory or ephemeral, but it is another thing to say that the conduct or its effect must endure up to some “point of sale”. There is no such requirement to establish a s 18 contravention. Relatedly, it is not necessary to show any actual or completed transaction entered into.

270 Eleventh, in determining whether a contravention of s 18 has occurred, the focus of the inquiry is on whether a not insignificant number within the class have been misled or deceived or are likely to have been misled or deceived by the respondent’s conduct. There has been some debate about the meaning of “a not insignificant number”.

The *Campomar* formulation looks at the issue in a normative sense. The reactions of the hypothetical individual within the class are considered. The hypothetical individual is a reasonable or ordinary member of the class. Does satisfying the *Campomar* formulation satisfy the “not insignificant number” requirement? I am inclined to the view that if, applying the *Campomar* test, reasonable members of the class would be likely to be misled, then such a finding carries with it that a significant proportion of the class would be likely to be misled. But if I am wrong and that a finding of a “not insignificant number” of members of the class being likely to be misled is an additional requirement that needs to be satisfied, then I would make that finding in the present case. For a discussion of these issues, see Greenwood J’s analysis in *Peter Bodum A/S v DKSH Australia Pty Ltd* (2011) 280 ALR 639 at [206] to [210] and *National Exchange Pty Ltd v Australian Securities and Investments Commission* (2004) 61 IPR 420 at [70] and [71] per Jacobson and Bennett JJ.

271 Twelfth, in the case of a descriptive or generic word, for an applicant to make good an allegation of affiliation it may need to demonstrate that the word has acquired a secondary meaning and become distinctive of the applicant’s business. Whether a secondary meaning exists is a question of fact to be determined having regard to all the relevant contextual circumstances. It is also said that it may be difficult to establish that a descriptive name, as opposed to a concocted or invented name, has become distinctive of the applicant’s business.

272 Relatedly, however, there is no requirement under the *Australian Consumer Law* to show an exclusive reputation ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] per Black CJ, Emmett and Middleton JJ ). Indeed, query whether it is necessary to show a reputation at all (see Heerey J in *Woodtree Pty Ltd v Zheng* (2007) 164 FCR 369 at [34] ). But perhaps it may be said that one need show only “[v]ery slight activities” and it can be established even without retail sales ( *Miki Shoko Co Ltd v Merv Brown Pty Ltd* [1988] ATPR 40-858 at [49,278] per Lockhart J).

273 Thirteenth, while s 18 and s 29(1)(a), (g) and (h) have a broader scope of operation than the tort of passing off, when those sections are applied to facts asserted to give rise to a passing off then in practice a court may be guided by similar principles (see *Hornsby Building Information Centre Pty Ltd v Sydney Building Information Centre Ltd* (1978) 140 CLR 216 at 227 per Stephen J).

The relevant date for assessing whether conduct amounts to misleading or deceptive conduct is the date the conduct commenced. See *Flexopack* [275] ; *Optical 88 Limited v Optical 88 Pty Limited (No. 2) & Ors* (2010) 275 ALR 526, [333] .

*Moroccanoil Israel Ltd v Aldi Foods Pty Ltd* (31 August 2017) (Katzmann J)



349. To make out its case, MIL must prove that by use in Australia its get-up has become distinctive of its goods ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] ), “so that the use in relation to any goods of the kind dealt in by [MIL] of that ... get-up will be understood by the trade and the public in this country as meaning that the goods are [MIL’s] goods” ( *T Oertli AG v E J Bowman (London) Ltd* [1957] RPC 388 at 397 (Jenkins LJ)), are related to MIL’s products, or have the sponsorship or approval of MIL. This is what reputation means in this context: see, for example, *S & I Publishing Pty Ltd v Australian Surf Life Saver Pty Ltd* (1998) 88 FCR 354 at 362 (Hill, Nicholson and Emmett JJ). It is unnecessary that the reputation be exclusive: *Cadbury* at [99]. Thus, here, if the colour turquoise alone or in combination with other features is likely to be associated by Australian consumers with MIL’s goods, its use by another trader may mislead ordinary or reasonable members of the class into thinking that the other trader’s goods are connected in some way with MIL..

*Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 3)* (01 August 2017) (Mortimer J)

144. Proof of reputation is not an essential element in a contravention of ss 18 and 29 of the ACL: *Cadbury* at [99] ; *Flexopack* at [272] . However, establishing what the applicant has been known for since 2012, and the asserted centrality of the word “SHAPE” in its reputation, forms a key contextual plank of the applicant’s case.

*Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 3)* (01 August 2017) (Mortimer J)

*Verrocchi v Direct Chemist Outlet Pty Ltd* (16 August 2016) (Nicholas, Murphy and Beach JJ)

64. Third, although it is usually necessary to establish a relevant reputation in the get-up that has become distinctive of the relevant business or products, it is not necessary to establish an exclusive reputation. As was said in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] (per Black CJ, Emmett and Middleton JJ):

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act* . The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant’s product.

*Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd* (11 March 2016) (Beach J)

*Telstra Corp Ltd v Phone Directories Co Pty Ltd* (30 May 2014) (MURPHY J)



Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Part V of the [Trade Practices Act](#). The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

100. The Court could not conclude, simply by reason of the findings made by the primary judge, that there was no miscarriage of justice. If the evidence of Dr Gibbs and Messrs Stavros and Riches were to be accepted at face value, it would certainly be open to a Court to find that Darrell Lea's use of purple is likely to cause the consumer errors identified by Dr Gibbs. That could be sufficient to justify a conclusion that Darrell Lea had engaged in conduct that was likely to mislead or deceive.

### **Weight of the Disputed Evidence**

101. Darrell Lea also contended, in substance, that the disputed evidence would not make any difference because to the extent that it is admissible, it is of no weight at all. It is necessary to say something more about the admissibility of opinion evidence in general and the disputed evidence in particular.
102. The primary judge erred in rejecting the disputed evidence in its entirety. That is not to say, however, that there may not have been specific objections to parts of the disputed evidence that could have been taken and should have been upheld. Further, it may be that, on full consideration of the applicability of s 135 of the [Evidence Act](#) in relation to the whole of the disputed evidence, all of it would be rejected as involving an undue waste of time in the light of its probative value.
103. In the course of an unsuccessful application to the Full Court by Darrell Lea during the hearing of the appeal for the Court to fix a further time within which to file a notice of contention, senior counsel for Darrell Lea outlined specific objections to significant parts of the disputed evidence. One such objection was that the affidavits did not demonstrate that the opinions expressed by Dr Gibbs and Messrs Stavros and Riches were based upon their specialised knowledge, as required by s 79 of the [Evidence Act](#).
104. All of Dr Gibbs' conclusions concerning consumer errors appear to be based on the proposition that, merely by using purple in the way described on the part of Darrell Lea, those errors are likely to result. While Dr Gibbs described in some detail what he meant by the four consumer errors, it is at least arguable that his affidavit does not clearly explain how the use by Darrell Lea of purple in the manner that he describes constitutes "*use of Cadbury purple*". Nor does Dr Gibbs provide any reasoning as to how the particular use of purple by Darrell Lea to which he refers is likely to give rise to the four consumer errors in question.

105. It is not appropriate for the Court, in the circumstances, to express any view about the objections. They were not the subject of argument before the primary judge. Nevertheless, it should not be thought that the Court is expressing any view concerning the admissibility of the disputed evidence, if appropriate specific objections were taken at a new trial. Parts of the disputed evidence may well be properly rejected on particular formal grounds, subject to the possible grant of leave to rectify formal defects. Nor should the Full Court be taken to be expressing any view as to the application of s 135 to the disputed evidence.
106. A Court should not act upon opinions, unless the prerequisites of s 79 are satisfied. It must be established, on the balance of probabilities, that the witness who gives an opinion has specialised knowledge, that the specialised knowledge is based on the witness' training, study or experience and that the opinion is wholly or substantially based on that specialised knowledge. Accordingly, there must be evidence explaining both how the opinion stated is said to rest on the specialised knowledge of the witness and how the specialised knowledge is based, wholly or substantially, on the witness' training, study or experience.
107. The evidence in chief of a witness giving opinion evidence must explain how the field of specialised knowledge possessed by the witness, by reason of training, study or experience, and on which the opinion is wholly or substantially based, applies to the facts established or assumed, so as to produce the opinion about which evidence is to be given. If those matters are not made explicit in chief, it would normally not be possible for the Court to make a judgment as to whether the prerequisites of s 79 have been satisfied and whether the evidence is in fact admissible.

108. **Following paragraph cited by:**

QE Family Pty Ltd v Peter Warren Automotive trading as Mercedes-Benz Macarthur  
(28 February 2024) (W J Neville J)

Toppi v Lavin (15 April 2016) (Judge Manousaridis)

MCILLROY & MCILLROY (01 July 2011) (Le Poer Trench J)

92. An interim report on evidence<sup>[1]</sup> by the Law Reform Commission denied the existence of such a common law rule, and it was later omitted from the *Evidence Act 1995* (Cth) and the *Evidence Act 1995* (NSW). Since then, views have been sharply divided in relation to whether a basis rule exists. In state courts it is generally held that this rule applies as outlined by Heydon JA (as he then was) in *Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705. However, the Federal Court generally denies its existence as outlined in *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* [2002] FCAFC 157; (2002) 55 IPR 354; see also *Quick v Stoland Pty Ltd* (1998) 87 FCR 371 at 373–4; *Neowarra v Western Australia (No 1)* (2006) FCR 208 at [16], [21] – [27]; *Jango v Northern Territory (No 4)* (2004) 214 ALR 608 at [19]; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [108].

Polaris Communications Pty Ltd (ACN 006 102 601) v Dynamic Hearing Pty Ltd  
(ACN 098 876 212) (18 August 2009) (Sundberg J)

Further, unless a witness states in his or her evidence in chief the grounds and reasoning that have led to the opinion, the opinion is valueless. Before the Court can assess the value of an opinion, it must know the facts on which it is based. If the opinion is based on irrelevant facts or facts that are clearly not going to be proved, the opinion is likely to be valueless. It should not be for a cross-examiner to endeavour to elicit the facts or assumptions upon which an opinion is expressed, and it would be unfair to leave such matters to the cross-examiner. Except in a straightforward, uncomplicated case, where the facts are admitted or otherwise readily identified, opinion evidence would normally be rejected under s 135 if the facts or assumptions upon which the opinion is based are not expressly stated.

109. It is for the Court to judge the reliability of, and the weight to be given to, particular evidence. Opinion evidence, like any other evidence, must be comprehensible and reach conclusions that are rationally based. The process of inference or reasoning that leads to conclusions ought to be stated or revealed in a way that enables the conclusions to be tested and a judgment to be made about their reliability and the weight that should be given to them. If not, the opinion evidence would normally be rejected under s 135.
110. The primary judge rejected the disputed evidence by the application of an incorrect principle. While, if proper objections were taken, the disputed evidence might be wholly inadmissible, it may be that such objections could be overcome by eliciting further evidence. It is clearly not appropriate for the Full Court to endeavour to consider what objections could properly have been taken and what objections would be upheld. Cadbury would be entitled to the opportunity of applying for leave to elicit further evidence to overcome such objections.

### Conclusion As To New Trial

111. There is no basis for concluding that there was no miscarriage of justice. It cannot be said that the disputed evidence is of so little weight that it could not influence the result of a new trial, so as to produce a different result.

112. **Following paragraph cited by:**

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (05 February 2009) (Emmett, Greenwood and Besanko JJ)

7. In its reasons, the first Full Court referred to Cadbury's contention that, in the light of comments made by the primary judge in the course of his Honour's ruling on the admissibility of the disputed evidence, his Honour expressed views that indicated that his Honour no longer had an open mind concerning the weight that should be accorded to the disputed evidence. In particular, Cadbury drew attention to the observations made by the primary judge that much of the factual material relied upon by the witness in question was vague, tendentious and of little weight (see *Cadbury Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCA 397 at [112]).

Cadbury says that it would be inappropriate for the proceeding to be remitted to the primary judge. Cadbury contends that, in the light of comments made by the primary judge in the course of ruling on the admissibility of the affidavits of Dr Gibbs, his Honour expressed views that indicated his Honour no longer has an open mind concerning the weight that should be accorded to the disputed evidence. Cadbury draws particular attention to the observation made by the primary judge that much of the factual material relied on by Dr Gibbs is vague, tendentious and of little weight.

113. However, in making those comments, his Honour was not referring to the opinions of Dr Gibbs but only to the factual material upon which his opinions were based. There is no reason to conclude that his Honour would not bring a fair and open mind to the question of specific objections to the disputed evidence and the resolution of the issues in the light of any part of the disputed evidence that might ultimately be admitted, consistently with these reasons.

114. **Following paragraph cited by:**

*Batchelder & Anor v Holden Ltd* (11 February 2009) (Beach J)

24. The matter must be remitted. During argument, I raised with the parties the prospect that if I was of the view that the matter had to be remitted, whether it should be remitted to the same Magistrate or to a differently constituted Magistrates' Court. In the circumstances of this case, it seemed to me to be wasteful to remit to a differently constituted Magistrates' Court if that course could be avoided. No party made any submission against the course proposed. Indeed, there was general agreement that this course was appropriate.<sup>[30]</sup> In the circumstances, I propose to direct that the proceeding be remitted for reconsideration before the Magistrates' Court constituted by the Magistrate before whom the same was originally heard. <sup>[31]</sup>

*via*

<sup>[31]</sup> See generally *Papercorp Pty Ltd v Nicolaou* [2006] VSCA 143 at paragraph [93], *Cadbury-Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 239 ALR 662 at paragraph [114] and *Tuckwell v Egg Marketing Australia Pty Ltd* [2004] VSC 489.

In the circumstances, there is no reason why the proceeding should not be remitted to the primary judge for further hearing. Of course, if the primary judge were prepared to entertain a submission that he would not be able to bring an open mind to the resolution of the proceeding in the light of his Honour's earlier rulings both on the disputed evidence and in the final decision, it would be a matter for his Honour to decide whether he considered it was appropriate for the proceeding to be referred to another judge for a retrial *ab initio*.

## **COSTS**

115. On 21 September 2005, with the consent of the parties, the primary judge directed that:

- Cadbury's evidence in chief be filed by 18 November 2005;
- Darrell Lea's evidence in chief be filed by 23 December 2005;
- Cadbury's evidence in reply be filed by 20 January 2006;
- the trial of the proceeding commence on 20 March 2006.

Cadbury filed eight affidavits on 18 November 2005. However, Cadbury filed a further affidavit on 21 November 2005, four more on 23 November 2005 and another one on 1 December 2005. Four of those 14 affidavits were by experts.

116. On 23 December 2005, Darrell Lea's solicitors wrote to Cadbury's solicitors foreshadowing objection to parts of the experts' affidavits on the basis that those parts constituted commentary on consumer research reports carried out by third parties, which had not been proved. On 9 January 2006, Cadbury's solicitors replied, indicating that all parts of the affidavits would be relied upon.
117. On 28 February 2006, Cadbury filed a further five affidavits, four of which were effectively further evidence in chief. Between 1 and 15 March 2006, Cadbury filed a further 12 affidavits, all but one of which were effectively evidence in chief. On 17 March 2006, with the trial due to commence on the following Monday, Cadbury served additional volumes of the Court Book which included a further two affidavits. Most of that further affidavit evidence was directed to overcoming the objection foreshadowed in the letter of 23 December 2005.
118. In relation to the affidavits that were filed outside the time fixed by the primary judge, Darrell Lea incurred solicitors' costs and counsels' fees in reviewing those affidavits, preparing cross-examination and notices of objection and corresponding with Cadbury's solicitors.
119. Darrell Lea retained Mr John Hall to respond to the disputed evidence and filed an affidavit sworn by Mr Hall on 1 February 2006. Because the disputed evidence was excluded, Darrell Lea did not call Mr Hall at the trial.
120. The primary judge accepted that there are often legitimate reasons why exact compliance with directions is not possible. However, his Honour considered that there is a line beyond which non-compliance becomes acceptable and that that line had been well and truly crossed by Cadbury. His Honour considered that the Court's directions for the filing of evidence, fixed by consent well in advance of the trial date, had been treated with disdain by Cadbury and that the Court's disapproval should be reflected in the costs order made. His Honour therefore ordered Cadbury to pay, on an indemnity basis, Darrell Lea's costs of preparing to meet evidence not filed in accordance with the directions given on 21 September 2005, including the affidavit of Mr Hall.
121. Cadbury contended, in the appeal, that his Honour's discretion miscarried for two reasons. First, Cadbury contends that his Honour had failed to have proper regard to the uncontested evidence of Ms Natalie Jane Hickey explaining the delay in complying with the

directions. In addition, Cadbury complained that the order of 6 July 2006 went too far in that it extended to all of Cadbury's evidence not filed in accordance with the directions, including evidence filed only one or two days late and which was not rejected for lateness.

122. Ms Hickey's explanation as to why the directions timetable was not adhered to was that Cadbury wished to rely on the evidence of Dr Gibbs and Messrs Stavros and Riches and that, to assist them in the formation of their respective opinions, each was provided with the various consumer research reports, which had been prepared for Cadbury over a period of years. Those documents were identified in some detail in Dr Gibbs' affidavit and in the other disputed evidence.
123. Ms Hickey said that the process of locating the deponents of those affidavits to prove the consumer research reports of Document Q and obtaining instructions for those affidavits was time consuming and laborious. Much of the research went back to the early 1990s and therefore, for the most part, it was not possible to obtain the assistance of Cadbury personnel who had originally commissioned the reports, since they had long since left Cadbury's employ. Some of the deponents were difficult to trace and others were located interstate or overseas.
124. Ms Hickey asserted that it could not be suggested by Darrell Lea that it had insufficient time to respond to the disputed evidence. In particular, Mr Hall had already commented on the affidavits that referred to the consumer research reports and there would have been no need to provide Mr Hall with the affidavits proving the consumer research reports.
125. Notwithstanding Ms Hickey's explanation for the delay, no attempt was made on behalf of Cadbury to seek an extension of time to comply with the directions. That was unfortunate. If there is good reason why a direction of the Court cannot be complied with, it is incumbent upon the party who cannot comply to approach the Court as soon as it becomes apparent that there may be difficulty in keeping to the timetable, so as to seek an appropriate extension. To fail to do so, without explanation for the failure, evidences a degree of disdain for the Court's orders. While Ms Hickey explained the delay, she offered no explanation for the failure to seek an extension. In the absence of any explanation as to why no application was made to vary the timetable, there was no error of principle on the part of the primary judge in deciding to make a special order for costs.
126. Cadbury complained, however, that the costs order extended to the affidavit of Mr Hall, which was prepared in response to Cadbury's opinion evidence and not in response to the affidavits proving the consumer research reports. To that extent, the order made by the primary judge was inappropriate. To the extent that his Honour rejected evidence that was filed late, the order was within his Honour's discretion. However, to the extent that, literally, the order extends to affidavit evidence that was not rejected on the grounds of lateness, it was inappropriate to make a special order in relation to the costs of those affidavits.
127. Mr Hall's evidence was to meet the evidence of Dr Gibbs and Messrs Stavros and Riches. But for the ruling as to the admissibility of that evidence, it is clear enough that Darrell Lea would have relied on Mr Hall's evidence. It was not correct to require Cadbury to bear, on an indemnity basis, the costs of preparing to meet the evidence of Dr Gibbs and Messrs Stavros' and Riches' material, simply because it was filed several days late.

## CONCLUSION



128. In rejecting the affidavits of Dr Gibbs and Messrs Stavros and Riches in their entirety, on the basis that the affidavits were wholly inadmissible, his Honour erred. While there may well be cogent reasons for suspecting that, even with the disputed evidence, the result would have been the same, the Full Court cannot be confident that that is the case. It is not possible, therefore, to conclude that there was no miscarriage of justice by reason of that error. Accordingly, the appeal should be upheld, the orders of the primary judge should be set aside and there should be an order for the proceeding to be remitted to the primary judge for further trial.
129. Since there is to be a further trial, the ordinary orders for costs of the proceeding should be set aside. In the circumstances, the appropriate course is to set aside all of the costs orders made by the primary judge. It still would be open to the primary judge to make an order that the costs of affidavits that were rejected for lateness be paid on an indemnity basis.
130. A possible order for the costs of the appeal would be to direct that those costs be left to the discretion of the new trial judge, depending upon any ruling that might be made concerning the admissibility of the disputed evidence. However, the parties have asked that the Full Court make no order as to the costs of the appeal until its decision on the outcome of the appeal and reasons therefore are made known. Accordingly, it is appropriate that the parties be directed to make written submissions concerning the costs of the appeal.

I certify that the preceding one hundred and thirty (130) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Chief Justice Black and the Honourable Justices Emmett and Middleton.

Associate:

Dated: 21 May 2007

Counsel for the Appellant: Mr N Hutley SC with Mr M Wyles

Solicitor for the Appellant: Mallesons Stephen Jaques

Counsel for the Respondent: Mr C Golvan SC with Dr S Ricketson

Solicitor for the Respondent: Middletons



Date of Hearing: 26, 27 and 28 February 2007

Date of Judgment: 21 May 2007

---

## Cited by:

Lift Shop Pty Ltd v Next Level Elevators Pty Ltd [2025] FCAFC 108 -

Hams v Whyalla Ports Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed), in the matter of OneSteel Manufacturing Pty Limited (Administrators Appointed) [2025] FCA 949 -

Canadian Standards Association v Connectivity Standards Alliance [2025] ATMO 100 (03 June 2025) (It is not sufficient that the Opponent merely establishes that its CSA, CSA Group and Logo Marks have a limited reputation, I must also be satisfied that because of that reputation the use of the Trade Mark would be likely to deceive or cause confusion. There is no requirement that the CSA, CSA Group and Logo Marks are substantially identical or deceptively similar to the Trade Mark, nor that the goods and /or services of the parties are similar. Nonetheless, resemblance between the parties trade marks remain a relevant factor, as noted in)

65. Regarding the Opponent's submissions that ss 18 and 29 of the ACL focus on the Applicant's trade mark and its effect upon consumers in Australia, I agree that a prior reputation is unnecessary to find a contravention of s 42(b), I also add that any reputation of the Opponent's Marks will form part of the context in which the assessment of the likelihood of persons being deceived or misled will be made. [34] As I have found under the s 60 ground that the Opponent only had a limited reputation in the CSA, CSA Group and Logo Marks, taken together with the lack of evidence from the Holder referred to above, I am not satisfied that the Opponent has discharged its onus to establish that use of the Trade Mark would be likely to mislead or deceive within the meaning of s 18 of the ACL.

via

[34] Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd [2007] FCAFC 70, [99] (Black CJ, Emmett and Middleton JJ) .

Jacksons Drawing Supplies Pty Ltd v Jackson's Art Supplies Ltd [2025] FCA 530 (23 May 2025) (Jackson J)

114. Reputation is of the essence of the cause of action of passing off ( Scandinavian Tobacco Group Eersel BV v Trojan Trading Co Pty Ltd [2015] FCA 1086 at [101] (Allsop CJ)), but it is not a necessary precondition to a claim under s 18 of the ACL: Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd [2007] FCAFC 70; (2007) 159 FCR 397 at [99] . Nevertheless, it will be common that the basis on which the use of a name is said to be misleading is that the trading name of the applicant has sufficient reputation among a relevant class of persons to mean that they associate the name with the applicant: see e.g. Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 3) [2017] FCA 865 at [91] (Mortimer J),

Uniform Evidence Manual [2023] JCV Uniform\_Evidence\_Manual (06 May 2025)

Expert evidence about a matter which is known to all would, although admissible, normally be a waste of time and excluded pursuant to s 135 ( Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 159 FCR 397, [55] ).

528. In the context of ss 18 and 29 of the ACL, the Full Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; 159 FCR 397 said at [99] –

The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Parkin v Boral Limited (Loss of Privilege Issue)* [2024] FCA 1039 -  
*iSAM Securities (UK) Ltd v Press* [2024] NSWSC 1036 (19 August 2024) (Richmond J)

47. While it is not necessary for the plaintiff to establish a particular reputation in order to prove misleading or deceptive conduct, it is necessary that there is some association in the minds of the relevant sector of the public between the get-up or name used by the plaintiff and its products or services such that it is likely that a consumer will be misled or deceived by the use of the same or a similar get-up or name by a competitor. As was stated in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70, by the Full Court (Black CJ, Emmett and Middleton JJ) at [99]:

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Part V of the Trade Practices Act. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Societe Civile et Agricole du Vieux Chateau Certan v Kreglinger (Australia) Pty Ltd* [2024] FCA 248 -  
*Societe Civile et Agricole du Vieux Chateau Certan v Kreglinger (Australia) Pty Ltd* [2024] FCA 248 -  
*QE Family Pty Ltd v Peter Warren Automotive trading as Mercedes-Benz Macarthur* [2024] FedCFamC2G 172 (28 February 2024) (W J Neville J)

79. The following comments by the Full Court of the Federal Court of Australia in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd*, are equally important to recall regarding the interplay between s. 79(1) of the Act, and s. 135 regarding the exclusion of evidence in the exercise of the Court's general discretion. [41] At [106] – [109], the Full Court said:

[106] A Court should not act upon opinions, unless the prerequisites of s. 79 are satisfied. It must be established, on the balance of probabilities, that the witness who gives an opinion has specialised knowledge, that the specialised knowledge is based on the witness' training, study or experience and that the opinion is wholly or substantially based on that specialised knowledge. Accordingly, there must be evidence explaining both how the opinion stated is said to rest on the specialised knowledge of the witness and how the specialised knowledge is based, wholly or substantially, on the witness' training, study or experience.

[107] The evidence in chief of a witness giving opinion evidence must explain how the field of specialised knowledge possessed by the witness, by reason of training, study or experience, and on which the opinion is wholly or substantially based, applies to the facts established or assumed, so as to produce the opinion about which evidence

is to be given. If those matters are not made explicit in chief, it would normally not be possible for the Court to make a judgment as to whether the prerequisites of s. 79 have been satisfied and whether the evidence is in fact admissible.

[108] Further, unless a witness states in his or her evidence in chief the grounds and reasoning that have led to the opinion, the opinion is valueless. Before the Court can assess the value of an opinion, it must know the facts on which it is based. If the opinion is based on irrelevant facts or facts that are clearly not going to be proved, the opinion is likely to be valueless. It should not be for a cross-examiner to endeavour to elicit the facts or assumptions upon which an opinion is expressed, and it would be unfair to leave such matters to the cross-examiner. Except in a straightforward, uncomplicated case, where the facts are admitted or otherwise readily identified, opinion evidence would normally be rejected under s. 135 if the facts or assumptions upon which the opinion is based are not expressly stated.

[109] It is for the Court to judge the reliability of, and the weight to be given to, particular evidence. Opinion evidence, like any other evidence, must be comprehensible and reach conclusions that are rationally based. The process of inference or reasoning that leads to conclusions ought to be stated or revealed in a way that enables the conclusions to be tested and a judgment to be made about their reliability and the weight that should be given to them. If not, the opinion evidence would normally be rejected under s. 135.

via

[41] *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397.

*QE Family Pty Ltd v Peter Warren Automotive trading as Mercedes-Benz Macarthur* [2024] FedCFamC2G 172 (28 February 2024) (W J Neville J)

103. In short: (a) the Tax Invoices are seriously deficient as so-called expert reports. They significantly fail to comply with the Practice Note issued by the Federal Court of Australia regarding experts and their reports; (b) the Tax Invoices seriously fail to identify the material relied upon to make the limited comments in those documents; and (c) the Tax Invoices (and the limited oral evidence of Mr Kiernan) fail to satisfy the requirements regarding expert evidence set out above from the High Court decisions in *Dasreef*, *Honeysett* and the Full Federal Court decision in *Cadbury Schweppes*. Among other things, the facts on which the opinion of Mr Kiernan, as expressed in his Tax Invoice, was based were not made clear to the Court, nor were they readily identified. There was therefore no capacity for the Respondent (or Court) to test the reliability of Mr Kiernan's conclusions. Accordingly, and in addition to the other significant short-comings of the Tax Invoices as "expert reports", under s. 135 of the *Evidence Act*, the probative value of Mr Kiernan's Tax Invoice "Report" was, at best, marginal.

*QE Family Pty Ltd v Peter Warren Automotive trading as Mercedes-Benz Macarthur* [2024] FedCFamC2G 172 -

*QE Family Pty Ltd v Peter Warren Automotive trading as Mercedes-Benz Macarthur* [2024] FedCFamC2G 172 -

*Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2023] FCA 1587 (14 December 2023) (ROFE J)

529. It is well established that, although both claims generally run together, an ACL claim has broader application and is generally easier to establish than a passing off claim. The key distinction being that, unlike in passing off, reputation is not an element of the statutory cause of action under the ACL, even though it may be relevant: see *In-N-Out Burgers, Inc v*

*Hashtag Burgers Pty Ltd* (2020) 150 IPR 73 at [182] (per Katzmann J); *Cadbury* at [99] (per Black CJ, Emmett and Middleton JJ). Of course, in a case like this where the reputation of the applicant is not an issue, that distinction is irrelevant.

## 9.2 Consideration

*Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2023] FCA 1587 (14 December 2023) (ROFE J)

525. The elements for the tort of passing off are well established. The tort of passing off involves “three core concepts: reputation, misrepresentation and damage”: *Stone and Wood Group Pty Ltd v Intellectual Property Development Corp Pty Ltd* (2018) 129 IPR 238 at [82] (per Allsop CJ, Nicholas and Katzmann JJ) citing *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 23 IPR 193 at 246–7 (per Gummow J). As the Full Court said in *Stone and Wood* at [83], the tort “protects the right of property in business, goodwill or reputation”: see also *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261 at [98] (per Black CJ, Emmett and Middleton JJ); *ConAgra* at 231 (per Lockhart J).

*Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2023] FCA 1587 (14 December 2023) (ROFE J)

527. The tort of passing off and misleading and deceptive conduct are closely related and are often considered together as overlapping claims. However, as the Full Court explained in *Cadbury* at [98] :

the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

*Youfen Deng v FYF Pty Ltd (Ruling No.4)* [2023] VCC 1663 (11 September 2023) (Ginnane)

- 92 The task of a Court in applying s 135 of the *Evidence Act* has been described as a balancing exercise. [11] It is one where the probative value must be weighed against several dangers. I find that Mr Hennessy's evidence would have little probative value, even if admissible. [12]

via

- [11] See *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 .

*Brick Lane Brewing Co Pty Ltd v Torquay Beverage Co Pty Ltd* [2023] FCA 66 (08 February 2023) (Stewart J)

39. In *Homart Pharmaceuticals Pty Ltd Careline Australia Pty Ltd* [2018] FCAFC 105; 264 FCR 422 ( *Homart FCAFC* ) at [8] it was held by Murphy, Gleeson and Markovic JJ that it is not necessary for an applicant to demonstrate “a particular reputation” in order to prove misleading or deceptive conduct. With reference to *Woodtree Pty Ltd v Zheng* [2007] FCA 1922; 164 FCR 369 at [34] , it was said that it is not necessary for an applicant to establish any reputation at all, but rather the question is whether consumers are likely to be misled or deceived by the respondent’s conduct. Observing (at [9]) that “the assessment of the impugned conduct is not done in a vacuum”, the Full Court in *Homart FCAFC* quoted from *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCA 70; 159 FCR 397 at [99] per Black CJ, Emmett and Middleton JJ :

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Part V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, *having regard to the state of the knowledge of consumers in Australia of the claimant's product*.

(My emphasis.)

Active Skin Pty Ltd v Yey Pty Ltd [2022] FedCFamC2G 865 -  
RB (Hygiene Home) Australia Pty Ltd v Henkel Australia Pty Ltd [2022] FCA 1042 (06 September 2022)  
(Rofe J)

310. As the Full Court of this Court observed in Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 159 FCR 397 at [98] ( Cadbury ), there is an overlap between causes of action arising under Part V of the *Trade Practices Act 1974* (Cth) (the predecessor to Part 2-1 of the *Australian Consumer Law* ) and the common law tort of passing off. However, their honours continued:

... the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

Pike v Coles Supermarkets Australia Pty Ltd; Pike v Solomon [2021] NSWSC 1492 -  
Home Grown Brands Australia Pty Ltd v Sperling Enterprises Pty Ltd [2021] FCCA 1597 (16 July 2021)  
(Manousaridis J)

10. Before a person will be held to have engaged in misleading or deceptive conduct by promoting or supplying goods that have impugned reference features or by using impugned trade indicia in connection with the promotion or sale of goods, it will therefore usually be necessary for the person so alleging to prove a reputation in the reference features or in the reference trade indicia. [9] In Interlego AG v Croner Trading Pty Limited Gummow J said that “*reputation and likelihood of deception are distinct issues, the first preceding the second, so that if the plaintiff fails on reputation that is the end of the case*”. [10] In Mars Australia Pty Ltd v Sweet Rewards Pty Ltd Perram J said: [11]

In cases such as the present it is, of course, necessary to identify the features of the applicant's packaging in which a reputation is said to inhere for it is the existence of that reputation which the tort protects. So too, in the context of the corresponding claim under s 52 it is the reputation in those features which is the springboard for the argument that consumers are deceived by a particular imitation. Thus although the interests protected by the two actions are different both indispensably require the identification of features known to the public mind. The expression “get-up” is a convenient shorthand for that concept but can be apt to mislead if one loses sight of the necessary connexion between the get-up and reputation. For that reason the identification of a get-up by an applicant in a passing off action or a claim under s 52 is both coherent and necessary.

via

[9] Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd [2007] FCAFC 70, at [99].

Chevron Global Energy Inc v Ampol Australia Petroleum Pty Ltd [2021] FCA 617 -



21. As to answer a), his conclusion that the applicant's belief that she suffers a central sleep apnoea is delusional, because Dr Mestitz said 8 years earlier that she did not, strikes me as susceptible to the criticism that it is both irrelevant to the inquiry and forensically dubious given the age of Dr Mestitz's report. In any event, and more importantly, Dr Reid's conclusion that the applicant "suffers the psychotic illness Schizophrenia ... based on delusions and thought disorder in the form of illogicality", has "had symptoms for many years and a deterioration in her social functioning", and "now ha[s] thoughts that are dominated by ideas of ill health and legal matters at the expense of social harmony and enriched family relationships" is just that – a conclusion. Absent "the grounds and reasoning that have led to the opinion, the opinion is valueless". Cf *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at 420 [107] (Black CJ, Emmett and Middleton JJ).

14. Along similar lines, the Full Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at 420 [107]-[108] (Black CJ, Emmett and Middleton JJ) explained:

The evidence in chief of a witness giving opinion evidence must explain how the field of specialised knowledge possessed by the witness, by reason of training, study or experience, and on which the opinion is wholly or substantially based, applies to the facts established or assumed, so as to produce the opinion about which evidence is to be given. If those matters are not made explicit in chief, it would normally not be possible for the Court to make a judgment as to whether the prerequisites of s 79 have been satisfied and whether the evidence is in fact admissible.

Further, unless a witness states in his or her evidence in chief the grounds and reasoning that have led to the opinion, the opinion is valueless. Before the Court can assess the value of an opinion, it must know the facts on which it is based. If the opinion is based on irrelevant facts or facts that are clearly not going to be proved, the opinion is likely to be valueless. It should not be for a cross-examiner to endeavour to elicit the facts or assumptions upon which an opinion is expressed, and it would be unfair to leave such matters to the cross-examiner. Except in a straightforward, uncomplicated case, where the facts are admitted or otherwise readily identified, opinion evidence would normally be rejected under s 135 if the facts or assumptions upon which the opinion is based are not expressly stated.

29. Although there is an "overlap" between the tort of passing off and provisions such as those formerly found in the *Trade Practices Act* and now found in the *Australian Consumer Law*, both remedies address different concerns. In the context of the *Trade Practices Act*, in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70, (2007) 159 FCR 397 at 418-419, Black CJ, Emmett and Middleton JJ thus observed:

[98] There is an overlap between causes of action arising under Part V of the *Trade Practices Act* and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

[99] .... The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

These observations were also applied, not surprisingly, in the context of the “analogues of ss 18, 29(1)(g) and(h)” of the *Australian Consumer Law* by Siopis, Rares and Katzmman JJ in *Kosciuszko Thredbo Pty Ltd v TredbotNet Marketing Pty Ltd* [2014] FCAFC 87 at [29], (2014) 223 FCR 517 at 524-525 .

*Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* [2020] FCA 1530 (22 October 2020) (Stewart J)

445. Although there is an overlap between causes of action arising under Pt 2-1 (i.e., ss 18-19) of the ACL and the common law tort of passing off, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt 2-1 is concerned with consumer protection. Part 2-1 is not restricted by common law principles relating to passing off and provides wider protection than passing off. See *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; 159 FCR 397 at [98] per Black CJ, Emmett and Middleton JJ .

*Monster Energy Company v Mixi Inc* [2020] FCA 1398 -

*Watton v MacTaggart* [2020] NSWSC 1233 -

*PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* [2020] FCA 1078 (30 July 2020) (Markovic J)

497. In *Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* [2018] FCA 235; (2018) 354 ALR 353 ( *Bohemia Crystal* ) at [309]-[313] and [315]-[316] Burley J summarised the principles in relation s 18 of the ACL as follows:

309 The relevant date for assessing the reputation of the applicant for the purpose of s 18 of the ACL is the date that the impugned conduct commenced; *Thai World Import & Export Co Ltd v Shuey Shing Pty Ltd* [1989] FCA 735; (1989) 17 IPR 289 at 302 (per Gummow J); *Taco Co of Australia Inc v Taco Bell Pty Ltd* [1982] FCA 170; (1982) 42 ALR 177 at 188 (Franki J), 196 (Deane and Fitzgerald JJ); *Optical 88 Ltd v Optical 88 Pty Ltd (No 2)* [2010] FCA 1380; (2010) 89 IPR 457 at [334] (Yates J).

310 In many cases it will be necessary to consider the class of persons to whom the representation was directed; *S & I Publishing Pty Ltd v Australian Surf Life Saver Pty Ltd* [1998] FCA 1463; (1988) 88 FCR 354 at 362. Where the persons in question are members of a class to which the conduct in question was directed in a general sense, it is necessary to isolate by some criterion a representative member of that class. The inquiry is thus to be made with respect to this hypothetical individual why the misconception complained of has arisen or is likely to arise if no injunctive relief is granted. Where the effect contemplated is on a class of consumers (as in the present case), the effect of the conduct on reasonable members of the class is to be considered; *Campomar Sociedad, Limitada v Nike International Limited* [2000] HCA 12; (2000) 202 CLR 45 at [103] ( *Campomar* ) (Gleeson CJ, Gaudron, McHugh, Gummow, Kirby, Hayne and Callinan JJ).

311 The focus of the inquiry is on whether a not insignificant number within the class have been misled or deceived or are likely to have been misled or deceived by the respondent’s conduct. If, applying the Campomar test, reasonable members of the class would be likely to be misled, then such a finding carries with it that a significant proportion of the class would be likely to be misled; *National Exchange Pty Ltd v Australian Securities and Investments Commission* [2004] FCAFC 90; (2004) 61 IPR 420 at [70] and [71] per Jacobson and Bennett JJ. The question may be put slightly differently as whether a “not insignificant number” of “reasonable” or “ordinary” members of that class of the public would, or are likely to, be misled or deceived; *Peter Bodum A/S v DKSH Australia Pty Ltd* [2011] FCAFC 98; (2011) 280 ALR 639 at [204]-[210] ( *Peter Bodum* ). In either case, the analysis in the present case remains the same, as does the conclusion.

312 When, in a case concerning s 18 of the ACL, the focus is upon the misleading of others, it becomes of particular importance to identify the respect in which there is said to be any misleading or deception. For instance, where the name of the claimant consists of descriptive words, the fact that confusion arises may not be attributed to misleading or deceptive conduct, but because of the descriptiveness of the name. For that reason it is necessary to inquire why any



misconception has arisen in the minds of consumers; *Hornsby* at 228, 229 (Stephen J, Barwick CJ, Jacobs and Aickin JJ agreeing). In the case of a descriptive or generic word, for an applicant to make good an allegation of affiliation it may need to demonstrate that the word has acquired a secondary meaning and become distinctive of the applicant's business. Whether a secondary meaning exists is a question of fact to be determined having regard to all the relevant contextual circumstances. It may be difficult to establish that a descriptive name (or, in the present case, an apt geographical name), as opposed to a concocted or invented name, has become distinctive of the applicant's business; *Hornsby* at 229, 230.

313 However, there is no requirement under the *ACL* to show an exclusive reputation ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 72 IPR 261 at [99] per Black CJ, Emmett and Middleton JJ ).

...

315 In assessing the character of the conduct in question, against the background of all of the contextual circumstances, conduct which misleads a consumer such that she or he opens negotiations or invites approaches under some mistaken impression of a trader's connection or affiliation with another, may constitute misleading or deceptive conduct, even if the true position emerges before the transaction is concluded; *Peter Bodum* at [210] (Greenwood J, Tracey J agreeing). Whether an impression of a trader's connection or affiliation, which does not linger until point of sale, is sufficient to amount to misleading or deceptive conduct depends on the circumstances of each case. Actionable misleading or deceptive conduct is not limited to conduct which induces or is likely to induce entry into a transaction. Conduct which misleads a consumer so that, under some mistaken impression of a trader's connection or affiliation, he or she opens negotiations or invites approaches may be misleading or deceptive even if the true position emerges before the transaction is concluded: *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* [2013] HCA 54; (2013) 250 CLR 640 at [50] (French CJ, Crennan, Bell and Keane JJ); see also *SAP Australia Pty Ltd v Sapient Australia Pty Ltd* [1999] FCA 1821; (1999) 48 IPR 593 at [51] ; *Verocchi v Direct Chemist Outlet Pty Ltd* [2016] FCAFC 104; (2016) 247 FCR 570 at [68] .

316 It is not necessary for consumers to assume that the services are from the same source. It is sufficient if consumers believe that there is some connection or association between the services, or the persons who provide them; *Verocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 228 FCR 189, ( *Verocchi* ) at [78] (Middleton JJ),.

*PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* [2020] FCA 1078 -

*Kraft Foods Group Brands LLC v Bega Cheese Limited* [2020] FCAFC 65 (14 April 2020) (Foster, Moshinsky and O'Bryan JJ)

234. Kraft submits that: the findings made by the primary judge overwhelmingly indicate that consumers perceived an association between the Peanut Butter Trade Dress and the Kraft brand; the primary judge correctly stated at [358] that "at all material times from the 1990s until mid-2017 consumers formed an association between the Kraft trade mark and the [Peanut Butter Trade Dress]"; Kraft need only show goodwill at June 2017 – goodwill created after the Restructure would be sufficient for these purposes; the primary judge should have found that the conduct of Bega in utilising the Peanut Butter Trade Dress on its peanut butter product misled or deceived consumers into believing there was an association with the owner of the Kraft brand, that is, the appellants; there was and is no such association. Kraft makes the following additional points:

- (a) First, demonstration of its entitlement to goodwill under the MTA or otherwise is not an element required to be proved by Kraft in order to make out its case under the *Australian Consumer Law* . Kraft is also not required to establish any reputation or any exclusive right, merely that consumers are misled into believing an association: see *Woodtree Pty Ltd v Zheng* (2007) 164 FCR 369 at [34] , quoted with approval in *Homart Pharmaceuticals Pty Ltd v Careline*

*Australia Pty Ltd* (2018) 264 FCR 422 at [8] ; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [97] and [99] ; *Kosciuszko Thredbo Pty Ltd v ThredboNet Marketing Pty Ltd* (2014) 223 FCR 517 at [27]-[29] .

(b) Secondly, notwithstanding the challenge made in this appeal in relation to goodwill, even if it be the case that Bega had a right to use the Peanut Butter Trade Dress, this gave it no right to mislead the public. Goodwill is negative in character and gives no positive right to use: see *JT International* at [36]-[40] .

(c) Thirdly, the finding that Bega represented the truth of the position by using the Peanut Butter Trade Dress (Reasons, [360]) does not grapple with the pleaded misrepresentation. There was no truth to the position that the product Bega placed into the market place in the Peanut Butter Trade Dress was associated with the Kraft brand or the owner of that brand, namely the appellants.

(d) Fourthly, the suggestion that consumer confusion arose by reason of erroneous assumption is not sustainable (Reasons, [361]). Bega itself chose the aspects of the packaging that it would utilise and is therefore responsible for any misrepresentation it conveys. The fact that an ordinary reasonable consumer might reasonably believe an association between Kraft and Bega existed was unremarkable and plain on the findings made (Reasons, [156]). The authorities referred to at [361] of the Reasons, namely *State Government Insurance Corporation v Government Insurance Office of New South Wales* (1991) 28 FCR 511 at 562 and *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 ( *Puxu* ) at 203-204, did not have application.

(e) Fifthly, the use by Bega of the Peanut Butter Trade Dress to draw an association with the Kraft brand means that, if an adverse event with Bega peanut butter occurred, it would erroneously reflect on the appellants and the Kraft brand. Section 18 of the *Australian Consumer Law* can and should provide an independent remedy regardless of the more complex findings on goodwill.

*R v We* (No.13) [2020] NSWSC 225 (13 March 2020) (Bellew J)

29. See *Cadbury-Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCR 397; [2007] FCAFC 70 at [76] per Black CJ, Emmett and Middleton JJ .

*In-N-Out Burgers, Inc v Hashtag Burgers Pty Ltd* [2020] FCA 193 (26 February 2020) (KATZMANN J)

182. Unlike in passing-off, to which I will come in due course, which is concerned with the protection of goodwill, reputation is not an element of the statutory cause of action, which is concerned with the protection of consumers. But that does not mean that reputation is irrelevant. As the Full Court put it in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] :

The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Urban Alley Brewery Pty Ltd v La Sirene Pty Ltd* [2020] FCA 82 (07 February 2020) (O'Bryan J)

232. As observed by the Full Federal Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 ( *Cadbury Schweppes* ) at [98] , there is overlap between

causes of action arising under the ACL (previously Part V of the *Trade Practices Act 1974* (Cth)) and passing off, but they have distinct features. The Full Court explained:

There is an overlap between causes of action arising under Pt V of the *Trade Practices Act* and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

*Urban Alley Brewery Pty Ltd v La Sirene Pty Ltd* [2020] FCA 82 (07 February 2020) (O'Bryan J)

242. It has long been recognised that a misrepresentation as to the source of a trader's goods is not only an element in the tort of passing off, it can also constitute misleading or deceptive conduct under s 18, and a misrepresentation for the purposes of s 29(1)(g) and (h) of the ACL. As the Full Court said in *Cadbury Schweppes* at [97]: "If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader". The Full Court explained that the relevant question "is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product" (at [99]).

*Australian Competition and Consumer Commission v Trivago N.V.* [2020] FCA 16 -

*Australian Competition and Consumer Commission v Trivago N.V.* [2020] FCA 16 -

*Takeover Securities Pty Ltd v Fastsec Pty Ltd (Civil Claims)* [2019] VCAT 1224 (19 August 2019) (D. Kim, Member)

91. I am not satisfied that Takeova's has proven that it has a reputation in its get as:

a. Whilst Takeova provided some photographs of its get up being posted on social media (quite a few of the images were duplicates in Takeova's Tribunal book) and some articles showing its staff in the community, I am not satisfied that these documents are sufficient to establish that it had a reputation in respect of its get up. For example, there was no satisfactory evidence as to the frequency of Takeova's staff wearing each of the various get up and for how long, and where they were worn (other a few examples). Although I am satisfied that Takeova had its staff wear its get up before Fastsec had its staff wear its comparable uniform, I was given unclear evidence as to when each of Takeova's get up were first worn by Takeova's staff, so as to even consider whether by the passage of time, a sufficiently substantial number of consumers associated, other than by reading or recognising Takeova's name, Takeova's get up with Takeova. This is not a case where, for example, someone has reproduced and sold an unbranded bottle in the shape and design of the classic Coca Cola bottle so that a consumer is likely to be misled or deceived as to the provenance of the item. [35].

b. In respect of the fluorescent shirts, whilst I accept Mrs Carpinelli's evidence that both Takeova's and Fastsec's shirts were obtained from the same supplier, there was no evidence that Takeova was the only ever customer who purchased the shirts with the particular design and colour scheme from the supplier. Further, based on Mrs Carpinelli's evidence as to how Takeova's shirts were ordered from Takeova's supplier, I am satisfied that the shirts were in effect pre-designed shirts, in that save for Takeova's name and mark on the shirts, Takeova chose the design and colour scheme of the shirts based on the supplier's range. There was no evidence from Takeova that it had the exclusive

right to use the design and colour scheme on the shirts. Given that Fastsec was able to obtain the same design and colour scheme shirt made by the same supplier, it appears Takeova did not. In any event, claims under the ACL (as opposed to other statutes) to prevent competitors from using certain colours or colour schemes, even when raised by corporations that own well-known brands, are not necessarily easily to prove. [36].

c. Any evidence Takeova provided as to how relevant consumers (or its own customers) associated Takeova's get up with Takeova was hearsay and I have given little weight to the Reisner Letter and Lea Letter. In any event, such evidence essentially pointed to the relevant person being confused as opposed to being actually misled.

d. Takeova gave evidence there are a few security companies who operate in some of the areas that Takeova operates. There was a dearth of evidence of what other security companies' staff wore and why they would be prohibited from wearing, for example, black suits with white shirts and black ties. I fail to understand on what legal basis Takeova is entitled to prevent Fastsec or anyone else engaged in the business of security, whether in Shepparton or elsewhere, from having their staff wear a combination of black suits, white shirts and black ties.

via

[36] See, for example, *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, where Cadbury failed to stop Darrell Lea from using the colour purple. I note that in Australian trade mark law, there needs to be some inherent distinctiveness in the colour or combination of colours in question for there to be trade mark protection.

*Takeover Securities Pty Ltd v Fastsec Pty Ltd (Civil Claims)* [2019] VCAT 1224 -  
*Jim Beam Brands Co v Christine and Donald Crowden* [2019] ATMO 21 (09 February 2019) (M. Cooper)

50. Another factor that weighs in favour of a finding that there is a real likelihood of a significant number of consumers being misled or deceived by use of the Trade Mark, is the similarity between the Trade Mark and the Opponent's well-known logo. It is well-established that the get-up of a product can give rise to a misrepresentation that the goods or services of the trader are, or are in some way related to, the goods or services of another trader, or that there is some affiliation between the two. [16].

via

[16] *S&I Publishing Pty Ltd v Australian Surf Lifesaver Pty Ltd* (1998) FCR 354, [362-3]; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, [97].

*RJB Wolfe Pty Ltd v Mornington Peninsula Eye Clinic Pty Ltd* [2019] VSC 27 (08 February 2019) (Sifris J)

69. Further, although an identifiable reputation is a separate element in the tort, the presence (or absence) of that identifiable reputation is an important factor in considering whether consumers have been, or are likely to be, misled or deceived under the ACL. [50] As Perram J observed in *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* in relation to the packaging of goods, and as is equally applicable to the reputation attaching to a business name: [51].

In cases such as the present it is, of course, necessary to identify the features of the applicant's packaging in which a reputation is said to inhere for it is the existence of that reputation which the tort protects. *So too, in the context of the*

corresponding claim under s 52 it is the reputation in those features which is the springboard for the argument that consumers are deceived by a particular imitation. Thus although the interests protected by the two actions are different both indispensably require the identification of features known to the public mind. (emphasis added),

via

[50] *Cadbury* (2007) 159 FCR 397 [99] (Black CJ, Emmett and Middleton JJ); *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606 [22] (Perram J) ('Mars Australia'); *Nutrientwater Pty Ltd v Baco Pty Ltd* [2010] FCA 2 [89]-[91] (Kenny J).

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* [2018] FCAFC 105 (05 July 2018) (Murphy, Gleeson and Markovic JJ)

50. Homart did not suggest that the primary judge failed to recognise the potential significance of the absence of any evidence of confusion. His Honour did so at [33], citing *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)* [2006] FCA 446; (2006) 69 IPR 23 at [81]. Rather, Homart contended that the primary judge erred in failing to have regard to the absence of any evidence of confusion experienced by consumers familiar with the "CHANTELLE" branded product (being the language of the Full Court in *Cadbury* set out at [9] above).

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* [2018] FCAFC 105 (05 July 2018) (Murphy, Gleeson and Markovic JJ)

9. However, as Homart observed, the assessment of the impugned conduct is not done in a vacuum. Thus in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 ("*Cadbury*") at [99], the Full Court said:

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Part V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* [2018] FCAFC 105 -  
*Telstra Corporation Ltd v Singtel Optus Pty Ltd (No 2)* [2018] VSC 280 -  
*Stone & Wood Group Pty Ltd v Intellectual Property Development Corporation Pty Ltd* [2018] FCAFC 29 -  
*Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* [2018] FCA 235 (06 March 2018) (Burley J)

313. However, there is no requirement under the *ACL* to show an exclusive reputation (*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 72 IPR 261 at [9] per Black CJ, Emmett and Middleton JJ).

*Pokémon Company International, Inc. v Redbubble Ltd* [2017] FCA 1541 (19 December 2017) (Pagone J)

19. It was submitted on behalf of TPCi that consumers searching for Pokémon merchandise who are somewhat familiar with online shopping and search engines and with Pokémon characters, but who do not have a detailed knowledge of any client licensing arrangement, will be misled or deceived by the representations on the internet searches. In *Campomar Sociedad, Limitada v Nike International* (2000) 202 CLR 45 the High Court said that the effect of conduct or representations upon ordinary or reasonable members of a class must be



considered where the issue is the effect of conduct on a class of persons. At [102]-[103] the Court said:

102 It is in these cases of representations to the public, of which the first appeal is one, that there enter the "ordinary" or "reasonable" members of the class of prospective purchasers. Although a class of consumers may be expected to include a wide range of persons, in isolating the "ordinary" or "reasonable" members of that class, there is an objective attribution of certain characteristics. Thus, in *Puxu*, Gibbs CJ determined that the legislation did not impose burdens which operated for the benefit of persons "who fail[ed] to take reasonable care of their own interests". In the same case, Mason J concluded that, whilst it was unlikely that an ordinary purchaser would notice the very slight differences in the appearance of the two items of furniture in question, nevertheless such a prospective purchaser reasonably could be expected to attempt to ascertain the brand name of the particular type of furniture on offer.

103 Where the persons in question are not identified individuals to whom a particular misrepresentation has been made or from whom a relevant fact, circumstance or proposal was withheld, but are members of a class to which the conduct in question was directed in a general sense, it is necessary to isolate by some criterion a representative member of that class. The inquiry thus is to be made with respect to this hypothetical individual why the misconception complained has arisen or is likely to arise if no injunctive relief be granted. In formulating this inquiry, the courts have had regard to what appears to be the outer limits of the purpose and scope of the statutory norm of conduct fixed by s 52. Thus, in *Puxu*, Gibbs CJ observed that conduct not intended to mislead or deceive and which was engaged in "honestly and reasonably" might nevertheless contravene s 52. Having regard to these "heavy burdens" which the statute created, his Honour concluded that, where the effect of conduct on a class of persons, such as consumers, was in issue, the section must be "regarded as contemplating the effect of the conduct on reasonable members of the class".

(Footnotes omitted).

In *Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd* (2016) 118 IPR 239 Beach J set out at [260]-[273] some non-contentious principles applicable to cases such as the present:

260 First, there is no meaningful difference between the words and phrases "misleading or deceptive", "mislead or deceive" or "false or misleading"; see *Australian Competition and Consumer Commission v Dukemaster Pty Ltd* [2009] FCA 682 at [14] per Gordon J and *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Limited* (2014) 317 ALR 73 at [40] per Allsop CJ.

261 Second, where the issue is the effect of conduct on a class of persons (rather than identified individuals to whom a particular misrepresentation has been made or particular conduct directed), the effect of the conduct or representations upon ordinary or reasonable members of that class must be considered ( *Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45 at [102] and [103] ). This hypothetical construct avoids using the very ignorant or the very knowledgeable to assess effect or likely effect; it also avoids using those credited with habitual caution or exceptional carelessness; it also avoids considering the assumptions of persons which are extreme or fanciful. Third, the objective characteristics that one attributes to ordinary or reasonable members of the relevant class may differ depending on the

medium for communication being considered. There is scope for diversity of response both within the same medium and across different media.

262 Fourth, for the purposes of s 18, one must identify the relevant conduct and then consider whether that conduct, considered as a whole and in context, is misleading or deceptive or likely to mislead or deceive. Such conduct is not to be pigeon-holed into the framework or language of representation (cf the language of s 29).

263 Fifth, conduct is misleading or deceptive or likely to mislead or deceive if it has the tendency to lead into error (*Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2013) 250 CLR 640 at [39] per French CJ, Crennan, Bell and Keane JJ). But conduct causing confusion or wonderment is not necessarily co-extensive with misleading or deceptive conduct (*Google Inc v Australian Competition and Consumer Commission* (2013) 249 CLR 435 at [8] per French CJ, Crennan and Kiefel JJ). Mere confusion or wonderment will not establish misleading or deceptive conduct (*Taco Company of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177 at 201 per Deane and Fitzgerald JJ). In *SAP Australia Pty Ltd v Sapient Australia Pty Ltd* (1999) 169 ALR 1 at [51], the Full Court accepted that there may be evidence of initial confusion that did not result in any person seeking to commence negotiations, which would fall short of amounting to misleading or deceptive conduct.

264 Sixth, the question is whether there was a real but not remote chance or possibility that the relevant conduct was misleading or deceptive or likely to mislead or deceive. To assess this one looks at the potential practical consequences and effect of the conduct.

265 Seventh, for the purposes of s 18, the words “likely to mislead or deceive” demonstrate that it is not necessary to show actual deception. Relatedly, it is not necessary to adduce evidence from persons to show that they were actually misled or deceived.

266 Eighth, there must be a sufficient nexus between the impugned conduct or apprehended conduct and the customer’s misconception or deception. As was said in *SAP Australia Pty Ltd v Sapient Australia Pty Ltd* (1999) 169 ALR 1 at [51] by French, Heerey and Lindgren JJ:

The characterisation of conduct as “misleading or deceptive or likely to mislead or deceive” involves a judgment of a notional cause and effect relationship between the conduct and the putative consumer’s state of mind. Implicit in that judgment is a selection process which can reject some causal connections, which, although theoretically open, are too tenuous or impose responsibility otherwise than in accordance with the policy of the legislation.

267 Subject to one qualification, the error or misconception must result from the respondent’s conduct and not from other circumstances for which the respondent was not responsible. But conduct that exploits or feeds into and thereby reinforces the pre-existing mistaken views of members of the relevant class may be misleading or deceptive or likely to mislead or deceive.

268 Ninth, conduct that is merely transitory or ephemeral where any likely misleading impression is likely to be readily or quickly dispelled



or corrected does not constitute conduct that would infringe s 18 ( *Knight v Beyond Properties Pty Ltd* (2007) 242 ALR 586 at [58] per French, Tamberlin and Rares JJ).

269 Tenth, and relatedly, it is one thing to say that the conduct must be more than transitory or ephemeral, but it is another thing to say that the conduct or its effect must endure up to some “point of sale”. There is no such requirement to establish a s 18 contravention. Relatedly, it is not necessary to show any actual or completed transaction entered into.

270 Eleventh, in determining whether a contravention of s 18 has occurred, the focus of the inquiry is on whether a not insignificant number within the class have been misled or deceived or are likely to have been misled or deceived by the respondent’s conduct. There has been some debate about the meaning of “a not insignificant number”. The *Campomar* formulation looks at the issue in a normative sense. The reactions of the hypothetical individual within the class are considered. The hypothetical individual is a reasonable or ordinary member of the class. Does satisfying the *Campomar* formulation satisfy the “not insignificant number” requirement? I am inclined to the view that if, applying the *Campomar* test, reasonable members of the class would be likely to be misled, then such a finding carries with it that a significant proportion of the class would be likely to be misled. But if I am wrong and that a finding of a “not insignificant number” of members of the class being likely to be misled is an additional requirement that needs to be satisfied, then I would make that finding in the present case. For a discussion of these issues, see Greenwood J’s analysis in *Peter Bodum A/S v DKSH Australia Pty Ltd* (2011) 280 ALR 639 at [206] to [210] and *National Exchange Pty Ltd v Australian Securities and Investments Commission* (2004) 61 IPR 420 at [70] and [71] per Jacobson and Bennett JJ.

271 Twelfth, in the case of a descriptive or generic word, for an applicant to make good an allegation of affiliation it may need to demonstrate that the word has acquired a secondary meaning and become distinctive of the applicant’s business. Whether a secondary meaning exists is a question of fact to be determined having regard to all the relevant contextual circumstances. It is also said that it may be difficult to establish that a descriptive name, as opposed to a concocted or invented name, has become distinctive of the applicant’s business.

272 Relatedly, however, there is no requirement under the *Australian Consumer Law* to show an exclusive reputation ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] per Black CJ, Emmett and Middleton JJ ). Indeed, query whether it is necessary to show a reputation at all (see Heerey J in *Woodtree Pty Ltd v Zheng* (2007) 164 FCR 369 at [34] ). But perhaps it may be said that one need show only “[v]ery slight activities” and it can be established even without retail sales ( *Miki Shoko Co Ltd v Merv Brown Pty Ltd* [1988] ATPR 40-858 at [49,278] per Lockhart J).

273 Thirteenth, while s 18 and s 29(1)(a), (g) and (h) have a broader scope of operation than the tort of passing off, when those sections are applied to facts asserted to give rise to a passing off then in practice a court may be guided by similar principles (see *Hornsby Building Information Centre Pty Ltd v Sydney Building Information Centre Ltd* (1978) 140 CLR 216 at 227 per Stephen J).

The relevant date for assessing whether conduct amounts to misleading or deceptive conduct is the date the conduct commenced. See *Flexopack* [275] ; *Optical 88 Limited v Optical 88 Pty Limited (No. 2) & Ors* (2010) 275 ALR 526, [333] .

18. In addition, expert evidence in relation to consumer perceptions and behaviour has been accepted as relevant and admissible in claims where consumer behaviour is in issue; see *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 .

*Nexdius Pty Ltd and Minister for Health* [2017] AATA 2295 -

*Moroccanol Israel Ltd v Aldi Foods Pty Ltd* [2017] FCA 823 (31 August 2017) (Katzmann J)

349. To make out its case, MIL must prove that by use in Australia its get-up has become distinctive of its goods ( *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] ), “so that the use in relation to any goods of the kind dealt in by [MIL] of that ... get-up will be understood by the trade and the public in this country as meaning that the goods are [MIL’s] goods” ( *T Oertli AG v E J Bowman (London) Ltd* [1957] RPC 388 at 397 (Jenkins LJ)), are related to MIL’s products, or have the sponsorship or approval of MIL. This is what reputation means in this context: see, for example, *S & I Publishing Pty Ltd v Australian Surf Life Saver Pty Ltd* (1998) 88 FCR 354 at 362 (Hill, Nicholson and Emmett JJ). It is unnecessary that the reputation be exclusive: *Cadbury* at [99]. Thus, here, if the colour turquoise alone or in combination with other features is likely to be associated by Australian consumers with MIL’s goods, its use by another trader may mislead ordinary or reasonable members of the class into thinking that the other trader’s goods are connected in some way with MIL.

*Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 3)* [2017] FCA 865 (01 August 2017) (Mortimer J)

144. Proof of reputation is not an essential element in a contravention of ss 18 and 29 of the ACL: *Cadbury* at [99] ; *Flexopack* at [272] . However, establishing what the applicant has been known for since 2012, and the asserted centrality of the word “SHAPE” in its reputation, forms a key contextual plank of the applicant’s case.

*Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 3)* [2017] FCA 865 -

*Rolleston v Insurance Australia Ltd* [2017] NSWCA 168 -

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* [2017] FCA 403 (20 April 2017) (Burley J)

23. A trader may establish a reputation in trade indicia other than names and logos which may be protected without registration as a trade mark; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 ( *Cadbury Schweppes* ) at [97] . If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader; *Cadbury Schweppes* at [97] .

*Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd* [2017] FCA 403 (20 April 2017) (Burley J)

23. A trader may establish a reputation in trade indicia other than names and logos which may be protected without registration as a trade mark; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397 ( *Cadbury Schweppes* ) at [97] . If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader; *Cadbury Schweppes* at [97] .

*Lush Skin & Body Clinic Pty Ltd v Sorbello (Civil Claims)* [2017] VCAT 449 -

*Verrocchi v Direct Chemist Outlet Pty Ltd* [2016] FCAFC 104 (16 August 2016) (Nicholas, Murphy and Beach JJ)

80. The appellants submitted that the primary judge paid insufficient regard to the “real world” of consumers seeking a familiar discount pharmacy experience being drawn to a DCO pharmacy because of the copying of Chemist Warehouse’s get-up and not being disabused of the impression that the store was associated with Chemist Warehouse because the DCO name did not have any reputation in itself and in any event was descriptive. It was said that this was like the *Bodum* case and unlike *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* (2000) 100 FCR 90, where the respondent’s product was marked with the well-known “Remington” trade mark, and unlike *Dr Martens Australia Pty Ltd v Rivers (Australia) Pty Ltd* (1999) 95 FCR 136 (see also the prominent and well-known marks in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 where purchasers were brand driven).

*Verrocchi v Direct Chemist Outlet Pty Ltd* [2016] FCAFC 104 (16 August 2016) (Nicholas, Murphy and Beach JJ)

64. Third, although it is usually necessary to establish a relevant reputation in the get-up that has become distinctive of the relevant business or products, it is not necessary to establish an exclusive reputation. As was said in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [99] (per Black CJ, Emmett and Middleton JJ):

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant’s product.

*Stone & Wood Group Pty Ltd v Intellectual Property Development Corporation Pty Ltd* [2016] FCA 820 (21 July 2016) (Moshinsky J)

175. As the Full Court of this Court observed in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [98], there is an overlap between causes of action arising under Pt V of the *Trade Practices Act 1974* (Cth) (see now, Pt 2-1 of the *Australian Consumer Law*) and the common law tort of passing off. “However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off”: *Cadbury* (2007) 159 FCR 397 at [98] per Black CJ, Emmett and Middleton JJ. The Full Court also said (at [99]):

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant’s product.

*Stone & Wood Group Pty Ltd v Intellectual Property Development Corporation Pty Ltd* [2016] FCA 820 -

*Jennifer Ann Nash v Resource Pacific Pty Limited (No 1)* [2016] NSWIC 6 (24 June 2016) (Walton J; President)

46. In *Cadbury Schweppes v Darrell Lea* [2007] FCAFC 70; (2007) 159 FCR 397 at [108]-[109] the Federal Court stated (per Black CJ, Emmet and Middleton JJ):

[108] Further, unless a witness states in his or her evidence in chief the grounds and reasoning that have led to the opinion, the opinion is valueless. Before the court can assess the value of an opinion, it must know the facts on which it is based. If the opinion is based on irrelevant facts or facts that are clearly not going to be proved, the opinion is likely to be valueless. It should not be for a cross-examiner to endeavour to elicit the facts or assumptions upon which an opinion is expressed, and it would be unfair to leave such matters to the cross-examiner. Except in a straightforward, uncomplicated case, where the facts are admitted or otherwise readily identified, opinion evidence would normally be rejected under s 135 if the facts or assumptions upon which the opinion is based are not expressly stated.

[109] ... Opinion evidence, like any other evidence, must be comprehensible and reach conclusions that are rationally based. The process of inference or reasoning that leads to conclusions ought to be stated or revealed in a way that enables the conclusions to be tested and a judgment to be made about their reliability and the weight that should be given to them. If not, the opinion evidence would normally be rejected under s 135.

*Marriner v Australian Super Developments Pty Ltd* [2016] VSCA 141 (17 June 2016) (Tate ACJ, Kyrou and Ferguson JJA)

136. In *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [No 8], [77] Heerey J considered how a judge to whom a proceeding is remitted should treat factual findings made in the original trial. In that case, the Full Court of the Federal Court of Australia remitted a proceeding to the primary judge, Heerey J, for a further hearing at which evidence from three experts which had been wrongly excluded at first instance could be adduced. [78].

via

[78] *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [No 2] [2007] FCAFC 102 [6].

*Toppi v Lavin* [2016] FCCA 830 (15 April 2016) (Judge Manousaridis)

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397; *Dasreef Pty Ltd v Hawchar*

*Toppi v Lavin* [2016] FCCA 830 -

*Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd* [2016] FCA 235 -

*Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd* [2016] FCA 235 -

*Keogh v John Kennedy Real Estate Pty Ltd (Civil Claims)* [2015] VCAT 1471 -

*Verryt v Schoupp* [2015] NSWCA 128 -

*Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234 -

*Elkin and Wearne* [2015] FCCA 1880 -

*Elkin and Wearne* [2015] FCCA 1880 -

*Bauer Consumer Media Ltd v Mamamia.com.au Pty Ltd* [2014] FCA 1400 -

*Bauer Consumer Media Ltd v Mamamia.com.au Pty Ltd* [2014] FCA 1400 -

*Unilever Australia Ltd v Revlon Australia Pty Ltd (No 5)* [2014] FCA 1350 (08 December 2014) (Gleeson J)

5. Section 79(1) of the *Evidence Act 1995 (Cth)* ("Act") provides that if a person has specialised knowledge based on the person's training, study or experience, the opinion rule does not apply to evidence of an opinion of that person that is wholly or substantially based on that knowledge. In *Gambro Pty Limited v Fresenius Medicare Care Australia Pty Ltd* [2007] FCA 1828 at [24], Allsop J, as he then was, said that:



Evidence of the kind permitted in [*Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* [2002] FCAFC 157], and also dealt with with a degree of generosity in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, indicates that evidence in which an expert, who has some specialised knowledge which equips him or her to say something about how consumers will behave, is not inadmissible *in limine* as not being capable of being the subject of expert evidence.

*Coca-Cola Company v PepsiCo Inc (No 2)* [2014] FCA 1287 (28 November 2014) (Besanko J)  
*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397  
*Caltex Oil Australia P/L v S & M Motor Repairs Pty Ltd*

*Coca-Cola Company v PepsiCo Inc (No 2)* [2014] FCA 1287 (28 November 2014) (Besanko J)

146. The respondents submitted that I should reject the tender of Dr Gibbs' main report. They did not submit that Dr Gibbs' evidence did not constitute a relevant field of expertise, or that Dr Gibbs lacked the expertise to express the opinions he set out in his report and affidavit (ss 76(1) and 79 *Evidence Act 1995* (Cth); *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* (2002) 55 IPR 354; [2002] FCAFC 157 ("*Sydneywide Distributors v Red Bull Australia*"); *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397). Rather, their principal contention was that Dr Gibbs' report was of no assistance to the Court because his starting point was the same as his finishing point. They relied on two related contentions in support of their principal contention.

*Australian Super Developments Pty Ltd v Marriner* [2014] VSC 464 (19 September 2014) (Sloss J)

248. In my view, of the cases to which I have been referred on this point, the approach taken by Heerey J in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 8)* offers the most useful guidance in the present case. [72]. In *Cadbury v Darrell Lea (No 8)*, the Full Court of the Federal Court had upheld an appeal by Cadbury on the ground that the trial judge, Heerey J, wrongly excluded evidence that Cadbury sought to adduce from three expert witnesses. [73]. Cadbury sought an order for a new trial but their Honours directed that the matter be remitted to Heerey J for further hearing. [74].

via

[73] See *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397.

*Campbell v R* [2014] NSWCCA 175 (02 September 2014) (Bathurst CJ, Simpson and Hidden JJ)

224. The effect of the section was considered by the Full Court of the Federal Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70; (2007) 159 FCR 397. In that case Black CJ, Emmett and Middleton JJ without reference to either *HG v The Queen* supra or *Velevski v The Queen* supra made the following remarks as to the effect of s 80 on the common law rule:

"[54] Such an approach appears to ignore the language of ss 79 and 80 of the *Evidence Act*. Certainly, opinion evidence will not be admissible unless the opinion is based on specialised knowledge and that specialised knowledge is in turn based on the opinion holder's training, study or experience. However, the former rule of the common law that excluded opinion evidence as to a matter of common knowledge no longer applies. Under s 80, evidence of an opinion is not inadmissible only because it is a matter of common knowledge.

[55] Clearly enough, if the matter about which expert evidence is to be given is patent and known to all, the Court's time would normally be wasted by such evidence.

Section 135 may be called in aid in those circumstances. Nevertheless, the evidence may still be strictly admissible. Further, an expert may still be of assistance to the Court, even in an area about which most people know something. So long as s 79 is satisfied, and the opinion evidence is based on specialised knowledge and that specialised knowledge is based on training, study or experience, that opinion evidence will be admissible, whether or not it might then be excluded in the exercise of the discretion conferred by s 135 (see generally the Law Reform Commission, *Interim Report on Evidence*, Canberra (1985), paragraph 43)."

*Unilever Australia Ltd v Revlon Australia Pty Ltd (No 2)* [2014] FCA 875 (19 August 2014) (Gleeson J)

21. Revlon relied on the following passage from *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [97] (cited with approval in *Bodum* at [193] (Greewood J, Tracey J agreeing at [272] )):

Both in the context of Part V of the [ *Trade Practices Act 1974* (Cth) ] and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

*Unilever Australia Ltd v Revlon Australia Pty Ltd (No 2)* [2014] FCA 875 (19 August 2014) (Gleeson J)

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397.  
*Campomar Sociedad, Limitada v Nike International Ltd*

*Kosciuszko Thredbo Pty Limited v ThredboNet Marketing Pty Limited* [2014] FCAFC 87 (21 July 2014) (Siopis and Rares & Katzmann JJ)

24. In support of their proposition that this was the correct question, the appellants cited *Peter Bodum A/S v DKSH Australia Pty Ltd* (2011) 92 IPR 222 at 263–264 [206]–[210] and *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at 418 [96]. They went so far as to assert that his Honour “entirely failed to engage with the case presented to him by the appellants”. The appellants contended that the question that the primary judge should have addressed was whether the respondents’ use of the word “Thredbo” was calculated to lead potential or actual consumers of their common services to the belief that the respondents’ business was that of the appellants, in accordance with the test formulated by Lord Simonds in *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd* (1946) 63 RPC 39 at 42 and applied by Gummow J in *Telmak Teleproducts (Australia) Pty Ltd v Coles Myer Ltd* (1988) 84 ALR 437 at 442–443 as a test both for a contravention of statutory predecessors and analogues of s 18 of the ACL and passing off.

*Kosciuszko Thredbo Pty Limited v ThredboNet Marketing Pty Limited* [2014] FCAFC 87 (21 July 2014) (Siopis and Rares & Katzmann JJ)

29. The appellants did not have to establish that they had a right to use the word “Thredbo” to the exclusion of all others in order to establish the contraventions of ss 18, 29(1)(g) and (h) they complained of. In *Cadbury Schweppes* 159 FCR at 418 [96] Black CJ, Emmett and Middleton JJ held that the principles relating to passing off did not necessarily require an applicant, such as a confectionery maker, to establish an exclusive reputation in relation to the use of a particular colour or other distinguishing characteristic, in that case, purple. Likewise, their Honours held that it was possible to contravene the analogues of ss 18, 29(1)(g) and (h) even though the applicant had not established that it had an exclusive reputation in relation to the characteristic in issue. They held that the question was whether the applicant could establish facts that demonstrated that a particular use by the respondent of the characteristic in issue (in that case, the colour purple) misled or deceived, was likely to mislead or deceive, consumers into believing that “there is some relevant connection

between [the respondent] and [the applicant] or their respective products". The Full Court then held (157 FCR at 418–419 [99]):

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Telstra Corp Ltd v Phone Directories Co Pty Ltd* [2014] FCA 568 (30 May 2014) (MURPHY J)

456. Of course the passages at [97] and [99] of the *Cadbury Appeal* must be read together. If they were not then some inconsistency might be seen to arise between:

- (a) the Full Court's explanation at [99] that "the question is not whether the applicant has shown a sufficient reputation"; and
- (b) the statement of the Full Court in *S & I Publishing* at 588 that "an applicant must establish that it has acquired the relevant reputation in the name or get-up such that the name or get up has become distinctive of the applicant's business or products."

*Telstra Corp Ltd v Phone Directories Co Pty Ltd* [2014] FCA 568 -

*Telstra Corp Ltd v Phone Directories Co Pty Ltd* [2014] FCA 568 -

*Roger Maier v Asos Plc* [2014] ATMO 7 (28 January 2014) (Deirdre O'Brien)

47. The opponent is also relying on the grounds pursuant to sections 42(b) and 58. I do not intend to discuss those grounds in detail other than to note that a pre-requisite for establishing the section 42(b) ground[19] is that there are a substantial number of persons in the relevant market who are 'familiar' with another trader's 'product'. [20] I have already found that this is not the case in relation to the section 60 ground. Thus, the section 42(b) ground cannot be established.

via

[20] *Equity Access Pty Ltd v Westpac Banking Corp* (1989) 16 IPR 431; *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 23 IPR 193; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261.

*Hubbard v G4S Custodial Services (Ruling No. 1)* [2013] VSC 584 (24 October 2013) (Williams J)

7. Heydon J explained the 'statement of reasoning rule' when his Honour said in the same case:

*Authority.* There is ample authority supporting the view that it is not enough for evidence tendered under s 79 merely to state the expert's qualifications in a field of expertise and the conclusion. It is necessary to avoid the insidious risk that the trier of fact will simply accept the opinion without careful evaluation of the steps by which it was reached, and hence the evidence must state the criteria necessary to enable the trier of fact to evaluate that the expert's conclusions are valid. The evidence must reveal the expert's reasoning – how the expert used evidence to reach the opinion stated. It is not enough for evidence tendered under s 79 merely to state the expert's qualifications in a field of expertise and the



conclusion. Admissibility does not depend on the reasoning being accepted as correct; that is a matter of consideration at the end of the trial. But admissibility does depend on the reasoning being stated.

*Principle.* In principle, that line of authority is correct. There is nothing in s 79 which suggests that the corresponding common law rule has been abolished and the language of s 79 positively supports its continuance, without a statement of the expert's reasoning it is not possible to say whether the opinion or substantially based on the specialist knowledge claimed. (Citations omitted). [3].

via

[3] Ibid 638-9 [129]-[130] citing *Hannes v Director of Public Prosecutions (Cth) (No 2)* (2006) 165 A Crim R 151, 226 [289]-[290]; *Ocean Marine Mutual Insurance Association (Europe) OV v Jetopay Pty Ltd* (2000) 120 FCR 146, 151 [22]-[23]; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, 420 [107].

*The Change Group International PLC v City Exchange Mart Pty Ltd* [2013] FCA 1048 (18 October 2013) (Edmonds J)

173. In their closing written submissions at [29] and [32]–[35], the applicants put a number of other propositions in relation to reputation about which there may be no or little argument:

(1) That reputation may reside in get-up as distinct from a trade name has long been recognised by the courts: see e.g., *Brock v Terrace Times Pty Ltd* (1982) 40 ALR 97; *Apand Pty Ltd v Kettel Chip Co Pty Ltd* (1994) 52 FCR 474; *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191; *R & C Products Pty Ltd (t/a Samuel Taylor) v Sterling Winthrop Pty Ltd* (1993) 27 IPR 223; *Sterling Winthrop Pty Ltd v R & C Products Pty Ltd* (1994) ATPR 41-308; and *W D & H O Wills v Philip Morris* (1997) 39 IPR 356. The tort protects such things as visual images that become part of the goodwill of the product: *Cadbury Schweppes Pty Ltd v The Pub Squash Co Ltd* at 858B.

(2) The extent or scope of reputation required is that there be a substantial number of persons who are aware of the plaintiff's product or service: *ConAgra*, ibid. The size and extent of the class may vary according to the circumstances of the case: *ConAgra* at 346 per Lockhart.

(3) It is not necessary for a plaintiff to establish an exclusive reputation in relation to the use of a particular colour, both in passing off and under the *TP Act* /ACL, trade indicia other than names and logos can become associated with a particular user so that use by another trader can give rise to misleading or deceptive conduct or passing off: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* at [97].

(4) Nor is it necessary for a plaintiff in a get-up case to prove that the relevant persons who are likely to be misled can identify or know the name of the trading source, that is, the plaintiff's actual identity. To show distinctiveness of a product a plaintiff need only show that by reason of get-up or appearance of the product or service consumers regard it as having one source: *Powell v Birmingham Vinegar Brewery Co Ltd* (1896) 13 RPC 235 applied in *Hoath v Connect Internet Services Pty Ltd* (2006) 229 ALR 566.

(5) Reputation within the jurisdiction may be proved by a variety of means including, as Lockhart J observed in *ConAgra* at 343, "by showing constant travel

of people between other countries and the forum, and that people within the forum (whether residents there or persons simply visiting there from other countries) are exposed to the goods of the overseas owner”.

*The Change Group International PLC v City Exchange Mart Pty Ltd* [2013] FCA 1048 (18 October 2013) (Edmonds J)

201. In *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* a Full Court made certain observations on the overlap between the tort of passing off and causes of action arising under Pt V of the TPA from the perspective of what each required to be established, and at [97]–[99] said:

Both in the context of Pt V of the *Trade Practices Act* and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

There is an overlap between causes of action arising under Pt V of the *Trade Practices Act* and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant’s product.

*The Change Group International PLC v City Exchange Mart Pty Ltd* [2013] FCA 1048 (18 October 2013) (Edmonds J)

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 followed

*The Change Group International PLC v City Exchange Mart Pty Ltd* [2013] FCA 1048 - *Vendor Advocacy Australia Pty Ltd v Seitanidis* [2013] FCA 971 (27 September 2013) (Middleton J)

205. The *Cadbury* decision her Honour was referring to was *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397. The quote extracted by her Honour is preceded by the following passage of Black CJ and Emmett and Middleton JJ (at 418):

[96] In any event, the principles relating to passing off do not necessarily require Cadbury to establish an exclusive reputation in relation to the use of the colour purple. More significantly, it certainly does not follow that there cannot be a contravention of the *Trade Practices Act* simply because Cadbury does not establish that it has an exclusive reputation in relation to the colour purple. The question is whether Cadbury can establish facts that demonstrate that a particular use by Darrell Lea of the colour purple is likely to mislead or deceive consumers into believing that there is some relevant connection between Darrell Lea and Cadbury or their respective products.

[97] Both in the context of Pt V of the *Trade Practices Act* and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular

trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

[98] There is an overlap between causes of action arising under Part V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

Vendor Advocacy Australia Pty Ltd v Seitanidis [2013] FCA 971 (27 September 2013) (Middleton J)

205. The Cadbury decision her Honour was referring to was Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 159 FCR 397. The quote extracted by her Honour is preceded by the following passage of Black CJ and Emmett and Middleton JJ (at 418):

[96] In any event, the principles relating to passing off do not necessarily require Cadbury to establish an exclusive reputation in relation to the use of the colour purple. More significantly, it certainly does not follow that there cannot be a contravention of the Trade Practices Act simply because Cadbury does not establish that it has an exclusive reputation in relation to the colour purple. The question is whether Cadbury can establish facts that demonstrate that a particular use by Darrell Lea of the colour purple is likely to mislead or deceive consumers into believing that there is some relevant connection between Darrell Lea and Cadbury or their respective products.

[97] Both in the context of Pt V of the Trade Practices Act and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

[98] There is an overlap between causes of action arising under Part V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

Vendor Advocacy Australia Pty Ltd v Seitanidis [2013] FCA 971 -

Kosciuszko Thredbo Pty Limited v ThredboNet Marketing Pty Limited [2013] FCA 563 (11 June 2013) (Cowdroy J)

197. There are significant similarities between the causes of action for misleading or deceptive conduct and the common law tort of passing off. This was addressed by the Full Court in Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 72 IPR 261, where it was stated at [98]-[99]:

There is an overlap between causes of action arising under Pt V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

Allam v Aristocrat Technologies Australia Pty Ltd (No 2) [2012] FCAFC 75 -  
Allam v Aristocrat Technologies Australia Pty Ltd (No 2) [2012] FCAFC 75 -  
Australian Competition and Consumer Commission v Trading Post Australia Pty Ltd [2011] FCA 1086  
(22 September 2011) (Nicholas J)

89. Secondly, the manner in which this part of case is pleaded is reminiscent of a passing off case. That is hardly surprising because in essence the allegation being made against Google and Trading Post is that they both represented that Trading Post's business had a trading or business association or connection with Kloster Ford that it did not actually have. Some of the claims involve the use of names that are somewhat descriptive. This led Google to argue that it has not been established on the evidence that the use of such names in the headlines of sponsored links would give rise to any misrepresentation. I will return to this issue when I come to examine those headlines which consist of what Google says are descriptive words. "Kloster Ford" is not one of them. In any event, it is important to recognise that there are basic differences between the law of passing off and the law relating to s 52. To begin with, there are fundamental differences in underlying purpose between the law of passing off and s 52 of the *Act*. The former, unlike s 52, is directly concerned with the protection of goodwill. In *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 the Full Court (Black CJ, Emmett and Middleton JJ) drew a contrast between the question whether the applicant had shown a sufficient reputation in a name or get up in a passing off case and the question (at [99]):

... whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

Whether or not one speaks in terms of a person's reputation in a name or get up, a case founded upon implied representations of the kind relied upon by the ACCC requires the Court to make an assessment of the state of knowledge of consumers with respect to the business and product names used in the headlines of the relevant advertisements.

Australian Competition and Consumer Commission v Trading Post Australia Pty Ltd [2011] FCA 1086 -  
Peter Bodum A/S v DKSH Australia Pty Ltd [2011] FCAFC 98 (05 August 2011) (Greenwood, Tracey and Buchanan JJ)

193. In *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397, the Full Court made this observation at [97]:

Both in the context of Pt V of the *Trade Practices Act* and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

Peter Bodum A/S v DKSH Australia Pty Ltd [2011] FCAFC 98 (05 August 2011) (Greenwood, Tracey and Buchanan JJ)

*Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 – cited and quoted

Zetco Pty Ltd v Austworld Commodities Pty Ltd (No 2) [2011] FCA 848 (01 August 2011) (Bennett J)

233. Austworld accepts that the causes of action overlap but differentiates between the actions of contravention of ss 52 and 53 of the *TPA*, which are concerned with consumer protection, and passing off, which protects a right of property in business or goodwill. The wider protection is afforded by Part V of the *TPA* (*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [98]).



Mitre 10 Australia Pty Ltd v Masters Home Improvement Australia Pty Ltd [2011] VSC 343 (26 July 2011) (Macaulay J)

40. In order to make good the proposition, at least hypothetically, that the use of colour may be evocative, in the minds of consumers, of an association with a particular trader, Mitre 10 referred me to various passages of the Full Federal Court's consideration of potential expert evidence on the subject in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd*, [11].

via

[11] [2007] FCAFC 70 (in particular [23], [27], [33] and [75].

MCILLROY & MCILLROY [2011] FamCA 506 (01 July 2011) (Le Poer Trench J)

92. An interim report on evidence [1] by the Law Reform Commission denied the existence of such a common law rule, and it was later omitted from the *Evidence Act 1995 (Cth)* and the *Evidence Act 1995 (NSW)*. Since then, views have been sharply divided in relation to whether a basis rule exists. In state courts it is generally held that this rule applies as outlined by Heydon JA (as he then was) in *Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705. However, the Federal Court generally denies its existence as outlined in *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* [2002] FCAFC 157; (2002) 55 IPR 354; see also *Quick v Stoland Pty Ltd* (1998) 87 FCR 371 at 373-4; *Neowarra v Western Australia (No 1)* (2006) FCR 208 at [16], [21] - [27]; *Jango v Northern Territory (No 4)* (2004) 214 ALR 608 at [19]; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [108].

*Dasreef Pty Ltd v Hawchar* [2011] HCA 21 (22 June 2011) (French CJ, Gummow, Hayne, Heydon, Crennan, Kiefel and Bell JJ)

99. The Full Court of the Federal Court of Australia has rightly rejected the respondent's riposte, [125]. So has the Court of Appeal of the Supreme Court of New South Wales: it held that the links between the expert's training, study and experience and the opinion should be spelt out unless they are apparent from the nature of the specialised knowledge [126]. And in this Court, Gleeson CJ, in dealing with an expert whose opinion was not based on specialised knowledge but on "a combination of speculation, inference, personal and second-hand views as to the credibility of the complainant" [127], said [128]:

"[I]t is important that the opinions of expert witnesses be confined, in accordance with s 79, to opinions which are wholly or substantially based on their specialised knowledge. Experts who venture 'opinions' (sometimes merely their own inference of fact), outside their field of specialised knowledge may invest those opinions with a spurious appearance of authority, and legitimate processes of fact-finding may be subverted."

via

[125] *Ocean Marine Mutual Insurance Association (Europe) OV v Jetopay Pty Ltd* (2000) 120 FCR 146 at 151 [22]-[23]; *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at 420 [107].

*Dasreef Pty Ltd v Hawchar* [2011] HCA 21 -

*Dasreef Pty Ltd v Hawchar* [2011] HCA 21 -

*Barrett Property Group Pty Ltd v Dennis Family Homes Pty Ltd* [2011] FCA 246 (18 March 2011) (Dodds-Streton J)

*Cadbury Schweppes v Darrell Lea* (2007) 159 FCR 397,  
*Clarendon Homes (Aust) Pty Ltd v Henley Arch Pty Ltd*

*Banksia Mortgages Limited v Croker* [2010] NSWSC 883 -

*Banksia Mortgages Limited v Croker* [2010] NSWSC 883 -

*The Ridge Trading Pty Ltd v JC Export & Import Pty Ltd* [2010] FMCA 424 (29 June 2010) (Lloyd-Jones FM)

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261,  
*Campomar Sociedad Limitada v Nike International Ltd*

*The Ridge Trading Pty Ltd v JC Export & Import Pty Ltd* [2010] FMCA 424 (29 June 2010) (Lloyd-Jones FM)

204. To succeed in this approach the plaintiff must establish some reputation or goodwill in its goods, although the plaintiff does not need to demonstrate an exclusive reputation: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261 at [96]. This is where action in these proceedings flounders as no evidence has been led on behalf of the Ridge Trading in respect to reputation. The witnesses that were called and identified above gave sworn testimonies that the bathmat ensembles were generic mats and that the name of the Ridge Trading meant nothing to them. In these circumstances I believe this avenue fails and needs not to be further addressed.

*Camper S.L. v Xiamen Xuchang Handiwork Co., Ltd* [2010] ATMO 48 (25 June 2010) (Representation:)

39. The Full Federal Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261 said at page 283 that:

The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Rees v Lumen Christi Primary School* [2010] VSC 514 (16 June 2010) (Robson J)

46. The task of a court in applying s 135 has been described as a "balancing exercise" [35]. It is one where the probative value must be weighed against several dangers. I find that Professor Tronc's evidence would have little probative value, even if admissible. [36]. I find it is substantially outweighed by the danger that his evidence might be "misleading or confusing" to the jury.

via

[36] *Ibid*, at [10] per Black CJ, Emmett and Middleton JJ: "probative value of evidence means the extent to which the evidence could rationally affect the assessment of the probability of the existence of a fact in issue."

*Rees v Lumen Christi Primary School* [2010] VSC 514 (16 June 2010) (Robson J)

[35] *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397.

*Jockey International Inc v Darren Wilkinson* [2010] ATMO 22 (17 March 2010) (John Spence)

17. In *Cadbury Schweppes Pty Limited v. Darrell Lea Chocolate Shops Pty Limited* (2007) 72 IPR 261, in the Full Federal Court, Tamberlin J stated (at para39):

There is an overlap between causes of action arising under Pt V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off. Whether or not there is the requirement of some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the Trade Practices Act. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of knowledge of consumers in Australia of the claimant's product.

*Playcorp Group of Companies Pty Ltd v Peter Bodum A/S* [2010] FCA 23 (02 February 2010) (Middleton J)

48. Passing off and s 52 misleading and deceptive conduct are separate causes of action, requiring separate analysis. The law of passing off prevents a person from using names, marks or other features that would induce a purchaser to believe that the goods they are buying are the goods of or associated with another person. Passing off protects the goodwill of the party seeking redress, while s 52 is an action to protect consumers from being misled or deceived: see *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [97]-[98].

*Playcorp Group of Companies Pty Ltd v Peter Bodum A/S* [2010] FCA 23 (02 February 2010) (Middleton J)

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397.  
*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)*

*Playcorp Group of Companies Pty Ltd v Peter Bodum A/S* [2010] FCA 23 (02 February 2010) (Middleton J)

64. Generally, an applicant's reputation need not be exclusive, for either claims of passing off (see *Erven Warnink BV v J Townsend & Sons Hull Ltd* [1980] RPC 31) or s 52 (see *Cadbury Schweppes* (2007) 159 FCR 397 at 417-419).

*Nutrientwater Pty Ltd v Baco Pty Ltd* [2010] FCA 2 (06 January 2010) (Kenny J)

89. The place of reputation in a claim under s 52 (and therefore s 53(c) and (d)) was explained by the Full Court in *Cadbury* at 418-419, where the Court said:

Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Nutrientwater Pty Ltd v Baco Pty Ltd* [2010] FCA 2 -

*Nutrientwater Pty Ltd v Baco Pty Ltd* [2010] FCA 2 -

*Beswick v Tamarack Pty Ltd* [2009] TASSC 109 -

*AMI Australia Holdings Pty Ltd v Bade Medical Institute (Aust) Pty Ltd (No 2)* [2009] FCA 1437 -

*Australian Medic-Care Company Ltd v Hamilton Pharmaceutical Pty Ltd* [2009] FCA 1220 (30 October 2009) (Finn J)



591. As is not uncommonly the case, several of the misleading or deceptive conduct claims AMC has made have been twinned with passing off claims. It is appropriate in this setting to refer to observations of the Full Federal Court in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [98]-[99] which bring out the distinction between these two species of action:

98 There is an overlap between causes of action arising under Pt V of the *Trade Practices Act* and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.

99 Whether or not there is a requirement for some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the *Trade Practices Act*. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant's product to believe that the two products are associated, having regard to the state of the knowledge of consumers in Australia of the claimant's product.

*Polaris Communications Pty Ltd (ACN 006 102 601) v Dynamic Hearing Pty Ltd (ACN 098 876 212)* [2009] FCA 890 -

*Debora Karina Henley v Kim Tu* [2009] ACTSC 37 -

*Debora Karina Henley v Kim Tu* [2009] ACTSC 37 -

*Deckers Outdoor Corporation Inc v Farley (No 2)* [2009] FCA 256 (24 March 2009) (Tracey J)

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397.

*Crazy Ron's Communications Pty Ltd v Mobileworld Communications Pty Ltd*

*Deckers Outdoor Corporation Inc v Farley (No 2)* [2009] FCA 256 -

*Batchelder & Anor v Holden Ltd* [2009] VSC 29 (11 February 2009) (Beach J)

24. The matter must be remitted. During argument, I raised with the parties the prospect that if I was of the view that the matter had to be remitted, whether it should be remitted to the same Magistrate or to a differently constituted Magistrates' Court. In the circumstances of this case, it seemed to me to be wasteful to remit to a differently constituted Magistrates' Court if that course could be avoided. No party made any submission against the course proposed. Indeed, there was general agreement that this course was appropriate.<sup>[30]</sup> In the circumstances, I propose to direct that the proceeding be remitted for reconsideration before the Magistrates' Court constituted by the Magistrate before whom the same was originally heard.<sup>[31]</sup>

via

<sup>[31]</sup> See generally *Papercorp Pty Ltd v Nicolaou* [2006] VSCA 143 at paragraph [93], *Cadbury-Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 239 ALR 662 at paragraph [114] and *Tuckwell v Egg Marketing Australia Pty Ltd* [2004] VSC 489.

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2009] FCAFC 8 (05 February 2009) (Emmett, Greenwood and Besanko JJ)

7. In its reasons, the first Full Court referred to Cadbury's contention that, in the light of comments made by the primary judge in the course of his Honour's ruling on the admissibility of the disputed evidence, his Honour expressed views that indicated that his Honour no longer had an open mind concerning the weight that should be accorded to the disputed evidence. In particular, Cadbury drew attention to the observations made by the primary judge that much of the factual material relied upon by the witness in question was vague, tendentious and of little weight (see *Cadbury Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCA 397 at [112]).

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2009] FCAFC 8 (05 February 2009) (Emmett, Greenwood and Besanko JJ)

15. That apprehension of bias is said to arise as the primary judge had previously formed a view about the admissibility and more importantly the utility of particular expert evidence sought to be adduced from three experts on behalf of Cadbury. That evidence was wrongly excluded at an initial trial resulting in an appeal and an order of the Full Court for a further hearing before the primary judge (rather than a retrial) at which Cadbury would have another opportunity of adducing the disputed evidence as though the case were part heard subject to any proper objections to the disputed evidence and rulings on those objections (*Cadbury Schweppes v Darrell Lea* [2007] FCAFC 70; (2007) 159 FCR 397; (2007) 239 ALR 662; (2007) 72 IPR 261 per Black CJ, Emmett and Middleton JJ (the "initial reasons"), amplified by the Full Court's further reasons in *Cadbury Schweppes v Darrell Lea (No. 2)* [2007] FCAFC 102; (2007) 29 ATPR 42175 (the "further reasons")). Cadbury says that since the primary judge in deciding to exclude the expert evidence at the first hearing expressed views a lay person would regard as *critical* of or *very sceptical* of the *value* of the expert evidence (the content of which will be examined in these reasons) and, in particular, the evidence of Dr Gibbs, the primary judge, upon Cadbury's motion for disqualification, ought to have disqualified himself from the conduct of the further hearing. Cadbury says the primary judge could, by then, no longer bring by reason of prejudgment, an impartial mind to the assessment of the expert evidence. Cadbury says that applying the recognised test a lay observer *might* take the view that the primary judge *might* not bring an open mind to the analysis of that evidence (a test the profession describes as the "double might" test of apprehended bias).

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2009] FCAFC 8 -  
*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2009] FCAFC 8 -  
*Cadbury UK Ltd v Registrar of Trade Marks* [2008] FCA 1126 (01 August 2008) (Finkelstein J)

4. Cadbury successfully appealed the decision: *Cadbury Schweppes Pty Ltd (ACN 004 551 473) v Darrell Lea Chocolate Shops Pty Ltd (ACN 000 498 386)* (2007) 72 IPR 261. The Full Court held that Heerey J had wrongly excluded the evidence of a number of expert witnesses. It remitted the case for further hearing. When the Registrar (by her delegate) made the decision under review the action was still pending.

*Cadbury UK Ltd v Registrar of Trade Marks* [2008] FCA 1126 (01 August 2008) (Finkelstein J)  
*Cadbury Schweppes Pty Ltd (ACN 004 551 473) v Darrell Lea Chocolate Shops Pty Ltd (ACN 000 498 386)* (2007) 72 IPR 261  
*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)*

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 9)* [2008] FCA 1115 (31 July 2008) (Heerey J)

19. Their Honours held that because there had been no explanation of the failure to apply for an extension of time to vary the timetable, there was no error of principle in my ordering indemnity costs for Darrell Lea's preparation related to Cadbury affidavits rejected on the grounds of lateness: 159 FCR 397 at [125]-[126]. However, their Honours considered there was

an error insofar as that order extended to Darrell Lea's costs in respect of its expert Mr John Hall. His evidence, which was in the same field as that of the Cadbury experts, would have been relied on by Darrell Lea had I not rejected the evidence of the Cadbury experts on grounds unrelated to lateness (although their affidavits were a few days late).

Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 9) [2008] FCA 1115 (31 July 2008) (Heerey J)

9. It cannot be suggested that Darrell Lea's conduct in relation to the rejection of this evidence was unreasonable or inappropriate. Indeed the critical reason for the wrongful rejection of the evidence was the failure of senior counsel on both sides, and myself, to advert to s 80 of the *Evidence Act 1995 (Cth)* which, departing from the common law, provides that opinion evidence is not inadmissible only because it is a matter of common knowledge; see the Full Court's observations 159 FCR 397 at [49], [54].

Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 9) [2008] FCA 1115 -  
Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 9) [2008] FCA 1115 -  
Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 9) [2008] FCA 1115 -  
Ricegrowers Ltd v Real Foods Pty Ltd [2008] FCA 639 (12 May 2008) (Rares J)

72. In Cadbury Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited (2007) 159 FCR 397 at 418-419 [96]-[99] Black CJ, Emmett and Middleton JJ observed that the principles relating to passing off do not necessarily require a plaintiff to establish an exclusive reputation in relation to the use of a particular colour, in that case, purple. They said that the question was whether the plaintiff could establish facts that demonstrate that a particular use by the defendant of the colour was likely to mislead or deceive consumers into believing that there was relevant connection between the defendant and the plaintiff or their respective products: *Darrell Lea* 159 FCR at 418 [96]; see too *Office Cleaning* 63 RPC at 42 per Lord Simonds. They observed that both in the context of Pt V of the *Trade Practices Act* and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, so that use by another trader could give rise to misleading or deceptive conduct or passing off. They said (*Darrell Lea* 159 FCR at 418 [97]):

If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

Ricegrowers Ltd v Real Foods Pty Ltd [2008] FCA 639 -  
Raben Footwear Pty Limited v Marathon Footwear Pty Limited [2008] FCA 533 (17 April 2008) (Graham J)

7. In relation to the recent case concerning the use of the colour purple in relation to packaging of chocolate by Darrell Lea Chocolate Shops Proprietary Limited ( Cadbury Schweppes Pty Limited (ACN 004 551 473) v Darrell Lea Chocolate Shops Pty Ltd (ACN 000 498 386) [2007] FCAFC 70), the Full Court of this Court said at [98]:

*'There is an overlap between causes of action arising under Part V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Part V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.'*

Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 8) [2008] FCA 470 -  
Hansen Beverage Company v Bickfords (Australia) Pty Ltd [2008] FCA 406 (31 March 2008) (Middleton J)

*Hansen Beverage Company v Bickfords (Australia) Pty Ltd* [2008] FCA 406 (31 March 2008) (Middleton J)

140. It is important that opinion evidence sets out the process of reasoning so that the opinion satisfies the requirements of s 79. As the Full Court said in *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 239 ALR 662 at [108] – [109]:

*Further, unless a witness states in his or her evidence in chief the grounds and reasoning that have led to the opinion, the opinion is valueless. Before the Court can assess the value of an opinion, it must know the facts on which it is based. If the opinion is based on irrelevant facts or facts that are clearly not going to be proved, the opinion is likely to be valueless. It should not be for a cross-examiner to endeavour to elicit the facts or assumptions upon which an opinion is expressed, and it would be unfair to leave such matters to the cross-examiner. Except in a straightforward, uncomplicated case, where the facts are admitted or otherwise readily identified, opinion evidence would normally be rejected under s 135 if the facts or assumptions upon which the opinion is based are not expressly stated.*

*It is for the Court to judge the reliability of, and the weight to be given to, particular evidence. Opinion evidence, like any other evidence, must be comprehensible and reach conclusions that are rationally based. The process of inference or reasoning that leads to conclusions ought to be stated or revealed in a way that enables the conclusions to be tested and a judgment to be made about their reliability and the weight that should be given to them. If not, the opinion evidence would normally be rejected under s 135.*

*Henry Leung v Hing Ling Yu* [2008] NSWSC 90 (31 January 2008) (McDougall J at 1)  
*Cadbury Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCR 397.  
*Jessica Estates v Lennard*

*Henry Leung v Hing Ling Yu* [2008] NSWSC 90 (31 January 2008) (McDougall J at 1)

15 Mr Leung claims that he has established a discrete reputation in the get-up to which I have referred and that this reputation inures for the benefit of the business operated by him through his 25 or so shops, and that it will inure for the benefit of further shops to be opened by him. He says that the relevant elements of his get-up distinguish the business that he conducts and will continue to conduct under the “Hot Dollar” name. He says that it is not necessary that the reputation be exclusive. This point was established by the decision of the Full Court of the Federal Court of Australia in *Cadbury Schweppes Pty Limited v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCR 397 at 418 [96]. However, there is no principle that exclusivity can never be relevant and, in my view, this is recognized by the wording of their Honours in the paragraph to which I have referred. In truth, this is but another way of saying that, in deciding whether or not someone has engaged in misleading or deceptive conduct, it is necessary to examine the whole of the evidence that has been adduced in the light of the case that has been pleaded. Exclusivity may and will often be relevant to that question; but neither exclusivity nor the absence of it can be determinative.

*Darrell Lea Chocolate Shops Pty Ltd v Cadbury Limited* [2008] ATMO 6 (15 January 2008) (Deirdre O'Brien)

Decision concerning costs arising from the substantive appeal judgment [2007] FCAFC 70.

*Darrell Lea Chocolate Shops Pty Ltd v Cadbury Limited* [2008] ATMO 6 (15 January 2008) (Deirdre O'Brien)

An amplification of [2007] FCAFC 70, emphasizing that the matter was to be remitted to Heerey J for a further hearing, as if the ruling in [2006] FCA 446 had not been made. It was for Heerey J to determine whether a new trial was required.



Darrell Lea Chocolate Shops Pty Ltd v Cadbury Limited [2008] ATMO 6 (15 January 2008) (Deirdre O'Brien)

Special leave to appeal from the appeal judgment [2007] FCAFC 70 refused by the High Court.

Darrell Lea Chocolate Shops Pty Ltd v Cadbury Limited [2008] ATMO 6 -  
Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 6) [2007] FCA 2075 (21 December 2007) (Heerey J)

1. The Full Court held that certain expert evidence tendered by the applicant had been wrongly excluded: Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 239 ALR 662. The Full Court refused the application of the applicant (Cadbury) for a new trial and remitted the matter to me as the trial judge for the purpose of receiving the wrongly rejected evidence and relevant opposing evidence on behalf of the respondent (Darrell Lea). The further hearing has been fixed to commence on 11 March 2008.

Woodtree Pty Ltd v Zheng [2007] FCA 1922 (07 December 2007) (Heerey J)

34. In the court below, concentration was very much on the passing off claim. However, as the Full Court has recently pointed out in Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 159 FCR 397 at [96]-[99], the degree of overlap between the two causes of action should not obscure the important differences between them. The law of passing off protects goodwill as a species of property: Boehringer Ingelheim Ltd v Vetplus Ltd (2007) 73 IPR 593 at [37] per Jacob LJ, citing a passage from the judgment of Millett LJ in Harrods Ltd v Harrodian School Ltd (1996) 35 IPR 355 at 366. However claims under the Trade Practices Act it is not necessary for a plaintiff to establish an exclusive reputation, or indeed any reputation at all. The question is rather whether consumers are likely to be misled or deceived by the defendant's conduct.

Woodtree Pty Ltd v Zheng [2007] FCA 1922 -  
Gambro Pty Ltd v Fresenius Medical Care Australia Pty Ltd [2007] FCA 1828 (21 November 2007) (Allsop J)

24. In one sense, it goes without saying that he cannot say what any particular individual person would have done on a particular day. However, the evidence of the kind permitted in Red Bull 55 IPR 354, and also dealt with with a degree of generosity in Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (2007) 159 FCR 397, indicates that evidence in which an expert, who has some specialised knowledge which equips him or her to say something about how consumers will behave, is not inadmissible *in limine* as not being capable of being the subject of expert evidence.

Gambro Pty Ltd v Fresenius Medical Care Australia Pty Ltd [2007] FCA 1828 -  
GMCA Pty Ltd v Black & Decker Inc & Anor [2007] HCATrans 662 -  
GMCA Pty Ltd v Black & Decker Inc & Anor [2007] HCATrans 662 -  
GMCA Pty Ltd v Black & Decker Inc & Anor [2007] HCATrans 662 -  
GMCA Pty Ltd v Black & Decker Inc & Anor [2007] HCATrans 662 -  
GMCA Pty Ltd v Black & Decker Inc & Anor [2007] HCATrans 662 -  
GMCA Pty Ltd v Black & Decker Inc & Anor [2007] HCATrans 662 -  
Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 3) [2007] FCAFC 119 (28 August 2007) (Black CJ, Emmett & Middleton JJ)

1. Cadbury brought a proceeding in the Court in which it claimed that the use by Darrell Lea of a shade of purple in connection with its chocolate confectionary business may cause consumers to conclude, mistakenly, that Darrell Lea products are Cadbury products or that there is some connection between the respective chocolate confectionary businesses of Darrell Lea and Cadbury. A judge of the Court made orders that Cadbury's proceeding be dismissed with costs: see Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No

4) [2006] FCA 446. On 21 May 2007, the Full Court upheld an appeal from those orders and set them aside on the ground that certain expert evidence that Cadbury sought to lead had been wrongly excluded: see *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2007] FCAFC 70. The Full Court ordered that the matter be remitted to the primary judge for further hearing.

*Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 5)* [2007] FCA 1245 (16 August 2007) (Heerey J)

2. In the course of the trial I rejected some opinion evidence tendered on behalf of Cadbury about consumer behaviour: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2006) 228 ALR 719 (the evidence ruling). Subsequently I gave judgment dismissing Cadbury's substantive claim: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)* (2006) 229 ALR 136 (the trial judgment). Cadbury appealed to the Full Court, which held that the evidence was wrongly rejected, set aside my judgment and remitted the matter to me for further hearing: *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261 (the first Full Court judgment).