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Daily Insurance

A Daily Bulletin listing Decisions of Superior Courts of Australia

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Executive Summary (One Minute Read)

Hugo Boss AG v Hardge (FCA) - owner of Hugo Boss trade marks was entitled to summary judgment against a respondent who was selling goods with marks substantially identical with. or deceptively similar to, its trade marks

EIS GmbH v LELO Oceania Pty Ltd (Expert Evidence) (FCA) - expert in patent litigation whose affidavits did not make clear what parts of his evidence were to be relied upon regarding the issues of novelty and inventive step, was not permitted to participate in the joint expert conferences regarding those issues

HNOE Limited v Angus & Julia Stone Pty Ltd (NSWCA) - musicians sued manager for improper commissions - primary judge erred in not summarily deciding there is no private cause of action for breach of s11, *Entertainment Industry Act 2013* (NSW), and in not staying the proceedings on the basis the management agreement gave the High Court in London exclusive jurisdiction

In the matter of Shire Lind Developments (NSW) Pty Ltd (in liq) (NSWSC) - liquidator of insolvent property development special purpose vehicle was entitled to recover against its director and its holding company for insolvent trading, and to recover amounts paid to a related company as unfair preferences

Stewart v Metro North Hospital and Health (QCA) - primary judge had correctly assessed damages in a medical negligence case on the basis the plaintiff would live in a care facility, rather than independently in his own home

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Summaries With Link (Five Minute Read)

Hugo Boss AG v Hardge [2024] FCA 1325

Federal Court of Australia

Nevkovicin J

Trade marks - the applicant owned trade marks including 'Hugo Boss' and 'Boss' - the respondent was the owner of business names and a domain name, and sought to register trade marks including 'TBOSS' and 'Tennis Boss Sportswear' - the applicant commenced proceedings, contending that the respondent had infringed its trade marks in contravention of s120 of the *Trade Marks Act 1995* (Cth), s18 and s29(g) and (h) of the *Australian Consumer Law*, and engaged in the tort of passing off - the applicant sought injunctions to restrain infringement, delivery up of goods and advertising material, and either damages or an account of profits - the respondent did not appear, and the applicant sought default judgment - held: pursuant to orders for substituted service, the originating application was taken to have been served on the respondent, who had not filed an appearance and did not appear at the hearing for default judgment - the Court was satisfied that the respondent is in default and that service of the originating application on the respondent was effected by the required method and in sufficient time - the respondent was deemed to have admitted the facts in the applicant's statement of claim - the Court must still determine whether those admitted facts demonstrated the applicant's entitlement to the relief it claimed - there are two separate elements to establish trade mark infringement under s120: (1) a person has used as a trade mark a sign in relation to goods and services; and (2) the trade mark is "substantially identical" with or "deceptively similar" to a trade mark registered in relation to those goods or services - the statement of claim established these matters - the Court was satisfied that the respondent's conduct was in trade or commerce and had the tendency to mislead members of the public into believing that the respondent's products were connected with the applicant - the applicant had established a prima facie case of contravention of s18 and s29(g) and (h) of the *Australian Consumer Law* - the Court was satisfied that each of the elements of the tort of passing off set out in the statement of claim are established - the applicant was entitled to the relief sought, including an injunction restraining future breach, an order under s51(1) of the *Business Names Registration Act 2011* (Cth) cancelling the business names registered by the respondent, and an injunction requiring delivery up of all goods and advertising materials bearing any names or marks similar to the applicant's trade marks - the applicant could also apply for further orders regarding an inquiry by the Court regarding assessment of damages or account of profits, and would then be entitled to damages or an account of profits, at its election after such inquiry had been conducted, pursuant to s126(1)(b) of the *Trade Marks Act*.

[Hugo Boss AG](#)

EIS GmbH v LELO Oceania Pty Ltd (Expert Evidence) [2024] FCA 1334

Federal Court of Australia

Downes J

Patents - EIS alleged various LELO companies and LELO's Australian distributor had infringed

EIS's patent by selling eight models of female intimate massage device - LELO denied infringement and cross-claimed for revocation of the relevant claims in EIS's patent, alleging lack of novelty and lack of inventive step - the Court had previously ruled LELO could rely on evidence of experiments performed in China on EIS models known as the Satisfyer Pro 2, Womanizer W100, and Womanizer W500 as part of its revocation case (see Benchmark 5 July 2024) - EIS now sought orders that one of the experts LELO proposed to call should not be permitted to participate in the joint expert conferences concerning novelty and inventive step, and that LELO not be permitted to rely on certain paragraphs in one of the ten affidavits of this expert upon which LELO intended to rely - held: LELO contended that the impugned paragraphs were evidence 'in reply' on the issues of novelty and inventive step, and, as the expert had given evidence-in-chief on the issues of novelty and inventive step, it was entitled to rely upon this evidence - however, it was not apparent the expert had in fact given expert evidence on the issues of novelty and inventive step - the expert's first four affidavits did not contain the expert declaration required by r23.13(1)(b) of the Federal Court Rules 2011 (Cth) or the acknowledgement required by r23.13(ga) - the expert did not appear to have been specifically instructed to address novelty and inventive step issues in any of his first eight affidavit - r23.13(e), (f) and (g) and the Expert Evidence Practice Note (GPN-EXPT) required that the precise paragraphs and annexures of the expert's affidavits that constituted his evidence-in-chief on novelty and inventive step be readily apparent, but this was not the case - the clarity required is that the trial judge, and the other party and its experts, know what evidence is being relied upon for particular issues - the Court accepted EIS's evidence that its solicitors were taken by surprise that LELO proposed to call the expert as a witness on novelty and inventive step - oral statements made by LELO's counsel during interlocutory and case management hearings were insufficient to put EIS on notice, and, in any event, could not overcome the non-compliance with the rules and practice note - the default position is that a party should not adduce expert evidence in patent litigation from more than one expert in any single discipline, absent telegraphing its intention to do so to the opposite party and the Court at the earliest opportunity - the expert's participation in the joint conferences (scheduled for the following week) would require EIS's expert to absorb all his material "on the run", and raise the real risk the experts would have insufficient time to address all issues - the witness would not be permitted to attend the conferences - the Court deferred the issue whether LELO could rely on the impugned paragraphs until trial, and permitted EIS to file any evidence in reply to those paragraphs by a particular date.

[EIS GmbH](#)

HNOE Limited v Angus & Julia Stone Pty Ltd [2024] NSWCA 271

Court of Appeal of New South Wales

Bell CJ, Leeming, & Payne JJA

Civil procedure - musician siblings and their company sued their manager and related entities for overcharging commission and breach of s11 of the *Entertainment Industry Act 2013* (NSW) by receiving fees or other remuneration in excess of the "capped amount", contending that each was obliged to account or provide restitution - the defendants sought summary dismissal, or a

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permanent stay on the basis the management agreement provided that it was subject to English law, and that the High Court of Justice in London would be the sole court of competent jurisdiction - the primary judge refused both summary judgment and a permanent stay (see Benchmark 29 May 2024) - the appellants sought leave to appeal - held: the primary judge erred in refusing to grant summary dismissal of the breach of s11 claims on the basis that the existence of a private cause of action for breach of s11 was a debatable question of law - this question did not involve any issues of fact or mixed fact and law - it was common ground there was only one answer to the question - the question was capable of summary resolution and there was real utility in answering it - the fact that extensive argument may have been required to show a private cause of action for breach of s11 did not exist should not have stood in the way of its summary resolution - the *Entertainment Industry Act* does not expressly confer a private cause of action for breach of s11, and this could only arise by implication from the Act's subject matter, scope, and context - the most important consideration was the principle that, where a statute provides for a particular means of enforcement, the general rule is that the performance of the statutory duty cannot be enforced in any other manner - the imposition of a criminal sanction does not imply the existence of a private civil cause of action - the legislature had not intended to create a private cause of action for breach of s11 - the claims based on breach of s11 were untenable and doomed to fail - the primary judge also erred in holding there was marginal utility in summarily deciding the breach of s11 claim because the proceedings would continue in any event due to the restitution claim - if the case were bound to proceed in NSW this may have been correct, but there was a live question whether the proceedings should be stayed to allow proceedings in London - the plaintiffs were evidently using the s11 claim as a hook or anchor to keep the proceedings in NSW notwithstanding the exclusive jurisdiction clause - the primary judge erred in referring to the defendants not leading evidence or making submissions on whether the s11 and restitution claims could be pursued in London, as this was for the plaintiffs to establish - unlike the s11 claim, the restitution claim required factual inquiry, and was unsuitable for summary dismissal - on re-exercise the primary judge's discretion, as the s11 claim was untenable, and all other claims could be decided by the London court, the proceedings should be stayed.

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In the matter of Shire Lind Developments (NSW) Pty Ltd (in liq) [2024] NSWSC 1454

Supreme Court of New South Wales

Nixon J

Corporations law - SLD was a special purpose vehicle established for the development of apartments - it was wholly owned by SLI, which was wholly Quantum Management - Gribble was the sole director of all three companies, as well as another company, Quantum Development - SLI engaged SLD to manage the development, and SLD engaged a builder - SLD entered into a contract with Quantum Development to provide services such as staff - SLD went into liquidation, and its liquidator sued Gribble and Quantum Management for insolvent trading and Quantum Development for unfair preferences - held: the Court determined the date on which SLD was definitely insolvent - 'debt' is not defined in the Act, but its meaning is well

understood as a matter of ordinary language - SLD had incurred debts after its insolvency, as the builder had served payment claims under the *Building and Construction Industry Security of Payment Act 1999* (NSW) after that date, and SLD had responded with payment schedules stating that certain amounts were payable - as at the date of insolvency, and at all times thereafter, there were reasonable grounds for suspecting SLD was insolvent - Gribble had actual knowledge of each of the matters establishing such reasonable grounds - Gribble had contravened s588G(2) - he had not established defences under s558H or s1318 - Quantum Management was also liable as SLD's holding company, under s588V(1) - the liquidator was entitled from Gribble and Quantum Management the loss the builder had suffered from the insolvent trading, plus interest, plus a small amount other creditors had lost - Quantum Development was a related entity of SLD, and SLD had made four payments to it during the relation-back period - Quantum Development was a creditor of SLD, and the payments in issue were in respect of amounts due to it - each of the payments resulted in Quantum Development receiving more than it would have received in respect of its debt if it had to prove in SLD's winding up - when SLD went into administration, Quantum Development was not a creditor - in contrast, SLD had paid no dividend to unsecured creditors and there were no funds to pay any such dividend - the payments were unfair preferences within the meaning of s588FA - given the date of insolvency the Court had found, the liquidator had not established the first two payments were made when SLD was insolvent, or that SLD became insolvent as a result of those payments - the liquidator had established the last two payments were made when SLD was insolvent - the last two payments were voidable transactions - the liquidator was entitled to recover the amount of those transactions from Quantum Development.

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Stewart v Metro North Hospital and Health [2024] QCA 225

Court of Appeal of Queensland

Mullins P, Boddice JA, & Ryan J

Medical negligence - Stewart sued Metro for injuries arising from his treatment at a hospital Metro operated - Metro admitted duty, breach and causation, and the issue was damages for significant injuries, including brain damage - the two critical questions were Stewart's life expectancy and whether damages should be assessed on the basis Stewart would live independently, rather than in a care facility - the primary judge awarded damage of about \$2.2million - Stewart appealed, contending the primary judge erred in assessing damages on the basis Stewart would live in a care facility - held: the primary judge accepted Stewart's medical and nursing care needs were being appropriately addressed at the care facility, but specifically did not accept that the physical health benefits from receiving care and therapy in his own home would be no greater than the current care at the care facility - the primary judge then found that the recommended additional care and any care Stewart might need in the future (with the exception of hydrotherapy) could be provided both at the care facility and in his own home - the primary judge's finding that additional therapy could be provided to Stewart at the facility was consistent with the evidence - the evidence also supported a conclusion that care models involving the provision of assistance by external care assistants to residents of care

facilities, are employed within the care services industry - that evidence, together with evidence of the care facility's previous willingness to allow access to external providers, formed a proper basis for an inference that the care facility would permit an external care assistant, similar access on a more regular basis in the future - it was only in the context of these findings that the primary judge spoke of an evidential onus on Stewart, and the primary judge had not erred in that regard - the primary judge's findings that (1) Stewart's increased level of engagement, under enhanced therapy and care arrangements at the care facility, would be likely to improve his mood or result in health benefits significantly better than his current situation; (2) that living in his own home with his son and a dog would not result in health benefits significantly better than his current situation, with additional therapy or assistance; (3) that any care, therapy, or service that could be provided in his own residence could be provided at the care facility; (4) that concern about activities and intervention by the care facility staff in respect of the provision of the additional care and assistance, could be addressed by effective communication; and (5) that certain medical evidence was to the effect that provision of additional care assistance and therapy at the care facility would be medically appropriate, were supported by the evidence and should not be set aside - the primary judge was not satisfied, on the balance of probabilities, that Stewart would only engage in therapy and exercise if he were to move into his own home - this finding was not glaringly improbable, or contrary to the weight of the evidence - there was therefore no basis to conclude that the finding that it was not reasonable to require Metro to pay the significant additional cost involved in Stewart moving into his own home, was contrary to the evidence - except for an agreed miscalculation as to the assessment of damages, Metro had not established any error in its cross-appeal - subject to the agreed miscalculation, appeal and cross-appeal both dismissed.

[Stewart](#)

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