



## Forthcoming Events & Updates

Construction Law

*Building Dispute Practitioners' Society*

Discussion Evening.

Guest speaker: TBA

Wednesday 11 June 2014

Venue: RACV Club

Time: 6:30pm

*Building Dispute Practitioners' Society*

Annual Dinner

Details TBA

Wednesday 13 August 2014

Venue: Park Hyatt

Time: 6:30pm

## President's Report



The Honourable Chief Justice Warren opened the new Melbourne Commercial Arbitration and Mediation Centre on 17 March 2014. The Centre is a joint initiative of the Department of Justice, Court Services Victoria, the Victorian Bar and the Law Institute of Victoria.

Also in March 2014, Melbourne hosted many of the leading arbitration judges, arbitrators and arbitration practitioners from the Asia-Pacific Region, at the 10th Anniversary Conference of the Asia-Pacific Regional Arbitration Group. APRAG's members comprise the main arbitral bodies within the Asia-Pacific region, including the Australian Centre for International Commercial Arbitration, the China International Economic and Trade Arbitration Commission, the Hong Kong International Arbitration Centre, the Kuala Lumpur Regional Centre for Arbitration and the Singapore International Arbitration Centre.

The conference sessions covered a wide range of topics relevant to international arbitration in the region including:

- a review of APRAG's activities over the last 10 years;
- the role of the various regional arbitration institutions (such as ACICA, CIETAC, HKIAC, KLRCA and SIAK);
- recent trends in the enforcement of arbitral awards by domestic courts within the region;
- the role of public policy in enforcing international arbitral awards in domestic courts;
- judicial support for arbitration; the role of the arbitrator; and
- the challenges and opportunities for international arbitration in the region over the next ten years.

On 29 April 2014 Albert Monichino QC was elected President of the Chartered Institute of Arbitrators (Australia) Ltd. On behalf of the Executive and CommBar members, I congratulate Albert on this significant appointment.

In my last report, I noted that Korda Mentha were proposing to run seminars for CommBar. The first of these, "Accounting 101 for Barristers", will be held in the Neil McPhee room at lunchtime on 30 July 2014.

The Bar is keen to encourage closer links with Corporate Counsel. To that end, at the initiative of William Alstergren QC Chairman of the Victorian Bar, the Bar invited members of corporate counsel to a discussion on strategic dispute management on 27 May 2014. The discussion was led by the Honourable Justice Middleton and the Honourable Justice Judd, and was followed by drinks in the Essoign Club. This was a very successful event. On behalf of members, I thank the Chairman and Sally Bodman for their efforts in bringing it about.

The Bar office is also developing a database of Corporate Counsel contacts for the purpose of invitations to events such as these. Please forward relevant contact details of Corporate Counsel to Sally Bodman ([sally.bodman@vicbar.com.au](mailto:sally.bodman@vicbar.com.au)) at the Bar Office.

On Wednesday 28 May 2014, the Melbourne Law School launched the James Merralls Visiting Fellowship in Law. The event was hosted by the Honourable Justice Santamaria in the Supreme Court library, and the Fellowship was launched by the Honourable Michael McHugh AC QC, Mr Merralls and the Dean of Melbourne Law School, Professor Carolyn Evans also made speeches at this event.

The Victorian Bar will have an ongoing role in the Fellowship, through amongst other things, the Chairman of the Bar (or delegate) being a member of the panel that will select the Visiting Fellow.

The Fellowship honours the contribution made by James Merralls AM QC to the Australian legal profession. Members of CommBar who would like to make a [tax deductible donation to the Fellowship](#), may contact Kate Barnett ([kate.barnett@unimelb.edu.au](mailto:kate.barnett@unimelb.edu.au)) at the Law School or complete the donation form attached to the [Proposal for James Merralls Visiting Fellowship in Law](#).

Please forward contributions to the CommBar newsletter to the editor Cornelia Fourfouris-Mack ([cmack@iprimus.com.au](mailto:cmack@iprimus.com.au)).

Members can find details of forthcoming CommBar seminars on the [CommBar website](#).

**Philip Crutchfield QC | President**



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Quotes of Note

*Someone is sitting in the shade today because someone planted a tree a long time ago.* Warren Buffett

*My friend Hugh Kerr lost both legs in an ice climbing accident; he became an engineer and developed prosthetic legs and feet made out of rubber, and he's a better climber now than ever. I call people like him alchemists. You can pile a lot of lead on them, but they'll figure out a way to transform it into something good. Life isn't fair. You've just got to take what happens and make it work for you. So when I'm climbing some hard rock, 1,000 feet up, I'm not thinking "If I could see that hold up there, life would be so much easier." I just think, "Thank God I'm up here."*  
Erik Weihenmayer, the first blind climber to scale Mt Everest.

*It was burnt into my heart ... that my father had to beg for work. And then and there came the resolve that I would cure that when I got to be a man.* Andrew Carnegie

*Whoever is happy will make others happy.* Anne Frank

*It's amazing how difficult it is for a man to understand something if he's paid a small fortune not to understand it.*

## Publius

### *Honoured in the Breach*

In the Australian Financial Review economist Chris Richardson, writing of the recent resources boom, says:

Sadly, politicians of all stripes then took the proceeds of that temporary boom and spent them on permanent promises. There was all too little assessment of the costs and benefits of the deluge of dollars, and the process – the boring but essential checks on Canberra's folly – was often *honoured in the breach* (emphasis added).

Richardson plainly thinks that “the process” is a good and desirable thing which has been too frequently breached, or not followed or applied.

Presumably he had in mind the aphorism of “a custom more honoured in the breach than the observance”.

But going back to its origin we find a different, indeed directly opposite, meaning.

In *Hamlet*, Act I Scene IV, Hamlet and his friend Horatio are on the battlements of Elsinore castle. They hear from within the castle a flourish of trumpets and the firing of a cannon. Horatio asks what this means. Hamlet replies:

The king doth wake to-night and takes his rouse,  
Keeps wassail, and the swaggering up-spring reels;  
And, as he drains his draughts of Rhenish down,  
The kettle-drum and trumpet thus bray out  
The triumph of his pledge.

Horatio asks:

Is it a custom?

Hamlet replies:

Ay, marry, is't:  
But to my mind, though I am native here  
And to the manor born, it is a custom  
More honour'd in the breach than the observance.  
This heavy-headed revel east and west  
Make us traduc'd and tax'd of other nations;  
They clepe us drunkards, and with swinish phrase  
Soil our addition; and it takes  
From our achievements, though perform'd at height,  
The pith and marrow of our attribute.

So Hamlet is saying this boozing and firing of cannons is a thoroughly bad custom, one which it is more honourable to breach than to follow.

Publius suggest economists might benefit from a more general education.

## ADR

### The 10th anniversary APRAG Conference, March 2014, Melbourne

Tuesday, 13 May 2014, by Robert Williams

APRAG recently hosted its 10th anniversary conference in Melbourne, at which key issues concerning arbitration in the Asia-Pacific region were discussed. Article by Robert Williams and Eugenia Levine

[Read more...](#)

## Paying for discovery? Disclosing privileged documents? The new Discovery Act

Tuesday, 13 May 2014, by Nicki Mollard

The Justice Legislation Amendment (Discovery, Disclosure and Other Matters) Act 2014 Vic (commenced 12 May 2014) aims to improve the efficiency of the discovery process.

[Read more...](#)

## Procedural Fairness in Arbitrations

Tuesday, 27 May 2014, by Daniel Bongiorno

This case considers the requirements of procedural fairness in an arbitration.

[Read more...](#)

## Asia Practice

## The Dawn of a New Era for Hong Kong Company Law

Saturday, 17 May 2014, by Dr Josh Wilson QC

Article by Dr Josh Wilson SC and Cam Truong - When business opened on 3 March 2014 in Hong Kong, a new era in company law began with the commencement of the new companies ordinance, ("C 622"). That ordinance was the upshot of several years of deliberation and hard work by a specialist panel of company lawyers and others dedicated to reforming Hong Kong's company laws. This article addresses some of the more important changes and the reasons for them.

[Read more...](#)

## Ad Hoc Admission in Singapore - is it Feasible?

Thursday, 8 May 2014, by Dr Josh Wilson QC

Last year CommBar was treated to the visit of Geraldine Andrews QC, before she took her seat in the Queens Bench Division. Her vast experience in arbitrations in Singapore is legend. For court appearances though, as with most common law jurisdictions, the Singaporeans are protective of their turf. They resist giving audience to foreign practitioners. So when the High Court of Singapore handed down its decision in re Andrews, Geraldine Mary QC [2012] SGHC 229, new ground was broken concerning a foreign practitioner's right of appearance in Singapore, good news for Victorian barristers. But as we essay below, ad hoc admission there is not without a catch.

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## Banking and Finance

## Guarantors as 'privies' of a principal debtor – can they be bound by a decision of a Court in circumstances where they are not a party to litigation?

Wednesday, 28 May 2014, by Kieran Hickie

Co-authored by Andrew Kirby and Kieran Hickie: Guarantors commonly have some association or relationship with a principal debtor. If proceedings are taken against a principal debtor, but not a guarantor, resulting in a binding judgment, the Victorian Supreme Court has recently held that in subsequent proceedings against a guarantor, the guarantor is not a 'privy' of the principal debtor and therefore is not bound by the determination of issues in the earlier proceeding.

[Read more...](#)

## Solicitors acting for financiers and lenders in financing transactions must take care to

## avoid nasty surprises after settlement

Wednesday, 28 May 2014, by Kieran Hickie

Co-authored by Andrew Kirby and Kieran Hickie: The Court of Appeal has affirmed the importance of solicitors acting for mortgagees to ensure payout figures and settlement instructions provided to settlement agents are accurate. Following settlements of refinancing transactions, an outgoing mortgagee will not necessarily be prevented from asserting that settlement funds are insufficient to finalise settlement. Rather, they may demand the return of a discharge of mortgage handed over at settlement on the basis the borrower has not complied with its obligation to pay out the registered mortgagee in full.

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## Construction Law

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### Shaking the foundations – slab heave and its consequences

Tuesday, 27 May 2014, by Andrew P. Downie

In Hooper v Metricon Homes, a house was built on a poorly built slab and foundation, causing the house to exhibit serious movement. The Tribunal awarded damages for demolition and rebuilding of the house.

[Read more...](#)

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### Builders' duties of care in domestic construction goes to the High Court

Tuesday, 27 May 2014, by Suzanne Kirton

The fourth installment of the litigation involving an apartment complex in Chatswood. and the question whether a builder may owe a common law duty of care in a residential setting.

[Read more...](#)

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### New Bill brings sweeping changes to the domestic building protection regime and the regulation of building professionals in Victoria

Wednesday, 28 May 2014, by Suzanne Kirton

After a 2 year review and consultation process, the Victorian government has introduced to parliament the most significant changes to the building industry since the Building Act in 1993 and the Domestic Building Contracts Act in 1995. Anyone practising in this area must be aware of these fundamental changes.

[Read more...](#)

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### Interlocutory Injunctions: Beware the Usual Undertaking as to Damages

Wednesday, 28 May 2014, by Michael Whitten

A recent illustration of the stringency of the usual undertaking as to damages for a party who obtains an interlocutory injunction, where the injunction is later discharged and the proceeding lost.

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## Corporations and Securities Law

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### An application for leave to proceed against a company which is subject to a deed of company arrangement

Wednesday, 28 May 2014, by Roslyn Kaye

The New South Wales Court of Appeal (Gleeson JA) has refused to grant leave to the Chief Commissioner of State Revenue to

proceed against two companies that are each subject to a deed of company arrangement.

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## Equity

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### Intention to create a trust

Wednesday, 7 May 2014, by Professor John Glover

In *Korda v Australian Executor Trustees (SA) Ltd*, the VSCA may have assisted the investors in a radiata pine managed investment scheme at the expense of trusts law orthodoxy.

[Read more...](#)

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### High Court Lets Liens for Litigating Liquidators Lie

Wednesday, 14 May 2014, by Banjo McLachlan

The High Court held unanimously that a liquidator is entitled to an equitable lien over settlement monies for litigation expenses which the liquidator incurred for the purpose of impugning a secured creditor's charge, applying and confirming the principle in *Universal Distributing* in the process.

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### Change of position – 'Disenrichment' principle not accepted

Tuesday, 27 May 2014, by Karen Le Faucheur

On 7 May 2014, the High Court unanimously held that *Hills Industries Ltd (Hills)* and *Bosch Security Systems Pty Ltd (Bosch)* established the defence of change of position. Hills and Bosch were not required to repay monies to *Australian Financial Services and Leasing Pty Limited ("AFSL")*, the party who had paid them monies as a result of a third party's fraud. AFSL appealed from the decision of the NSW Supreme Court of Appeal. The appeal was unanimously dismissed.

[Read more...](#)

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### Representees in equitable estoppel cases will get what they were promised ... if they can prove it

Tuesday, 27 May 2014, by Kylie Weston-Scheuber

The recent High Court decision in *Sidhu v Van Dyke* [2014] HCA 19 (16 May 2014) has clarified some key issues in relation to the law of equitable estoppel, specifically in relation to reliance and remedy.

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## Insolvency Law

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### What a difference a day makes - When does the relation back period start?

Thursday, 8 May 2014, by Mark McKillop

In insolvency law the calculation of precise periods of time is important. Insolvency practitioners need to know exactly when limitation periods end in order to preserve potential claims. The "relation back period" is one of the more important time periods relevant to calculating limitations, and yet there is surprisingly little authority on exactly when the relation back period starts.

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## Perfection requirements of transitional security interests under the Personal Property

## Securities Act 2009 (Cth)

Thursday, 8 May 2014, by Andrea L Mapp

Appeal from liquidators' decision to reject claim for the return of cleaning equipment subject to retention of title. Consideration of retention of title clauses and the application of the transitional security agreements under Personal Property Securities Act 2009 (Cth).

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## Modified universalism: Full Federal Court protects the rights of a local creditor in a cross-border insolvency

Tuesday, 27 May 2014, by Georgie Coleman

The Full Federal Court has confirmed a "modified universalism" approach to cross-border insolvencies, and provided guidance on what is required for the "adequate protection" of rights of local creditors under the Model Law on Cross-Border Insolvency ('Model Law'), as enacted in Australia by the Cross-Border Insolvency Act 2008 (Cth).

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## Automatic set-off is not that automatic

Wednesday, 28 May 2014, by Justin Mereine

The decision is significant because it confirms that a payment of a dividend to a creditor does not necessarily extinguish the company's claim for the balance in fact owing to it.

[Read more...](#)

## Insurance and Prof Negligence

### Can a principal look to a head contractor's insurance policy to cover the principal's own negligence?

Tuesday, 27 May 2014, by Jeremy Whelen

This appeal concerned the scope of a contractor's contractual obligation to obtain insurance for the benefit of both itself and its principal.

[Read more...](#)

## IP and Trade Practices

### Protecting major sporting events from ambush marketing

Thursday, 1 May 2014, by Warwick A Rothnie

Did you know there was a Major Sporting Events (Indicia and Images) Protection Bill 2014? It was introduced into Parliament on 26 March 2014. It is designed to provide protections for certain indicia associated with the upcoming: Asian Football Championships to be held in Australia in 2015; the ICC World Cup to be held in Australia and New Zealand in 2015; and the 2018 Commonwealth Games on the Gold Coast, against 'ambush marketing'.

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### Tobacco Plain Packaging: WTO dispute panel appointed

Tuesday, 13 May 2014, by Warwick A Rothnie

Five countries have brought WTO Complaints against Australia's plain packaging rules for tobacco products. On 25 April 2014, the

Dispute Settlement Body under the Dispute Settlement Understanding established panels to determine the complaints brought by Cuba, the Dominican Republic, the Ukraine, Honduras and Indonesia. On 5 May, the Director-General formally announced the 3 member Panel who will hear the disputes: Mr Alexander Erwin (chair); Prof. Francois Dessemontet; and Dame Billie Miller.

[Read more...](#)

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## Telstra sees red over rejection of YELLOW trade mark

Wednesday, 28 May 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. These were two appeals from decisions by delegates of the Registrar to allow registration by Telstra of the mark YELLOW in respect of, among other things, online and print phone directories. Each of the applicants (respectively PDCA and Yellowbook) was unsuccessful in opposing Telstra's application before the Registrar. Yellowbook also appealed the delegate's decision to allow Telstra's opposition to Yellowbook's own application for YELLOWBOOK for the same goods and services. Murphy J dismissed all three appeals.

[Read more...](#)

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## Swimwear manufacturer's use of prior copyright works for "inspiration" steps over the line into infringement.

Wednesday, 28 May 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. This was a claim of copyright infringement brought by Seafolly in respect of three artistic works printed on fabric used to manufacture various of Seafolly's swimwear and beachwear. It alleged that certain artwork of a similar nature used by the respondent (trading as City Beach) on its products reproduced a substantial part of those works and that reproduction was not the result of independent creation.

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## Respondent's prior product demonstrations of a competing article sufficient to destroy novelty of most of the claims in the patent in suit

Wednesday, 28 May 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. The applicants (Damorgold) were the owner and exclusive licensee of a patent for a spring assisted blind mechanism, which had a priority date of 25 August 1999. The issue of the licensee's right to relief was stayed. Damorgold claimed that JAI Products had infringed a suite of claims of the patent and JAI Products asserted the patent was invalid. In the end, Middleton J found two claims infringed and valid.

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## Pre-action discovery application difficult to stomach for potential respondent to patent infringement action

Wednesday, 28 May 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. AstraZeneca is the patentee of a proton pump inhibitor marketed in Australia as NEXIUM as a treatment for gastric reflux and other stomach acid problems. In late 2013, it sought and obtained pre-action discovery of certain documents submitted by Alphapharm to the Therapeutic Goods Administration in relation to a product, NOXICID, that treats similar conditions. By the present application, AstraZeneca sought pre-action discovery of other documents submitted to the TGA and supporting documentation, and delivery of samples of various NOXICID products.

[Read more...](#)

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## The hazards of using the Internet to source promotional images

Wednesday, 28 May 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. Mr Tyler is a Hawaii based photographer who sells and licenses his works as stock photographs. The respondent is a travel agent whose business is conducted over the Internet. She used



one of Mr Tyler's photographs without obtaining a licence from him, and rather than take down the image when confronted with her conduct sought to blame an unnamed web developer.

[Read more...](#)

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## Administrators establish power of sale over patent rights held in trust, but not without Court supervision

Wednesday, 28 May 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. Following on from *Neobev Pty Ltd v Bacchus Distilleries Pty Ltd (Administrators Appointed)* [2014] FCA 4, where the assignee of certain rights to an invention used to manufacture clean skin spirits obtained a declaration in the Federal Court that the registered proprietor of the corresponding patent held that patent on trust for himself and the applicant as co-owners in equity.

[Read more...](#)

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## 2 years gaol for contempt

Wednesday, 28 May 2014, by Warwick A Rothnie

Failure to comply with an injunction not to infringe someone's intellectual property right is not only an infringement of that intellectual property right but also a contempt of court. The sanctions for contempt of court are many including, potentially, fines and imprisonment - even in intellectual property cases. The Full Federal Court has confirmed that imprisonment was the appropriate sanction for Mr Vladimir Vaysman's repeated breaches of injunctions not to infringe trade mark and copyright, but reduced the sentence from 3 years to 2 years.

[Read more...](#)

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## Trade mark infringer's claims to have not profited from wrongdoing rejected

Monday, 2 June 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. Case noted on *Bugatti GmbH v Shine Forever Men Pty Ltd (No 2)* [2014] FCA 171.

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## Perth dentist bites off more than he can chew in trade mark infringement claim

Monday, 2 June 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. Case note on *Agapitos v Habibi* [2014] WASC 47.

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## Providing hardcopy reports to a counsellor unlikely to infringe copyright

Monday, 2 June 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. Case note on *Caffell & Falcon* [2014] FamCAFC 34.

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## Successful patentee not required to amend patent to reflect adverse findings in respect of certain claims before obtaining relief for infringement

Monday, 2 June 2014, by Alan Nash

Co-authored by Peter Heerey AM QC, Tom Cordiner and Alan Nash. Following on from his Honour's decision reported above, JAI Products asserted that, because the only patent claims upon which Damorgold succeeded were dependent on claims that had been found invalid, it was necessary for Damorgold to amend the patent pursuant to section 105 of the Patents Act before it was entitled

to an order for injunctive relief. JAI Products plainly wished to argue that the Court should exercise its discretion not to amend the patent because of culpable delay or the like.

[Read more...](#)

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## Public Law

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### High Court upholds validity of Northern Territory Drugs Forfeiture Law

Wednesday, 14 May 2014, by Angel Aleksov

The High Court, by majority, upheld the validity of a statutory scheme for the forfeiture of property. The scheme provided that, on application by the DPP, the Supreme Court of the Northern Territory could declare a person who had been convicted of three or more drug related offences within a ten year period to be a “drug trafficker”, and consequent upon the declaration, all property owned, effectively controlled or given away by that person was forfeited to the Northern Territory.

[Read more...](#)

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### Western Australia Senate election declared void

Wednesday, 28 May 2014, by Alex Solomon-Bridge

In *Australian Electoral Commission v Johnston* [2014] HCA 5, the High Court, sitting as the Court of Disputed Returns, answered questions of law in a way which led to the election of WA Senators to the Commonwealth Parliament being declared void.

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### Norrie’s Case: High Court Allows for Non-Specific Sex Category

Monday, 2 June 2014, by Eugenia Levine

In a unanimous judgment, the High Court has held that the Births, Deaths and Marriages Registration Act 1995(NSW) (the Act) empowers the Registrars to register a person’s sex as “non-specific”.

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